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2 APRIL 1987

# Latin America Report

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## LATIN AMERICA REPORT

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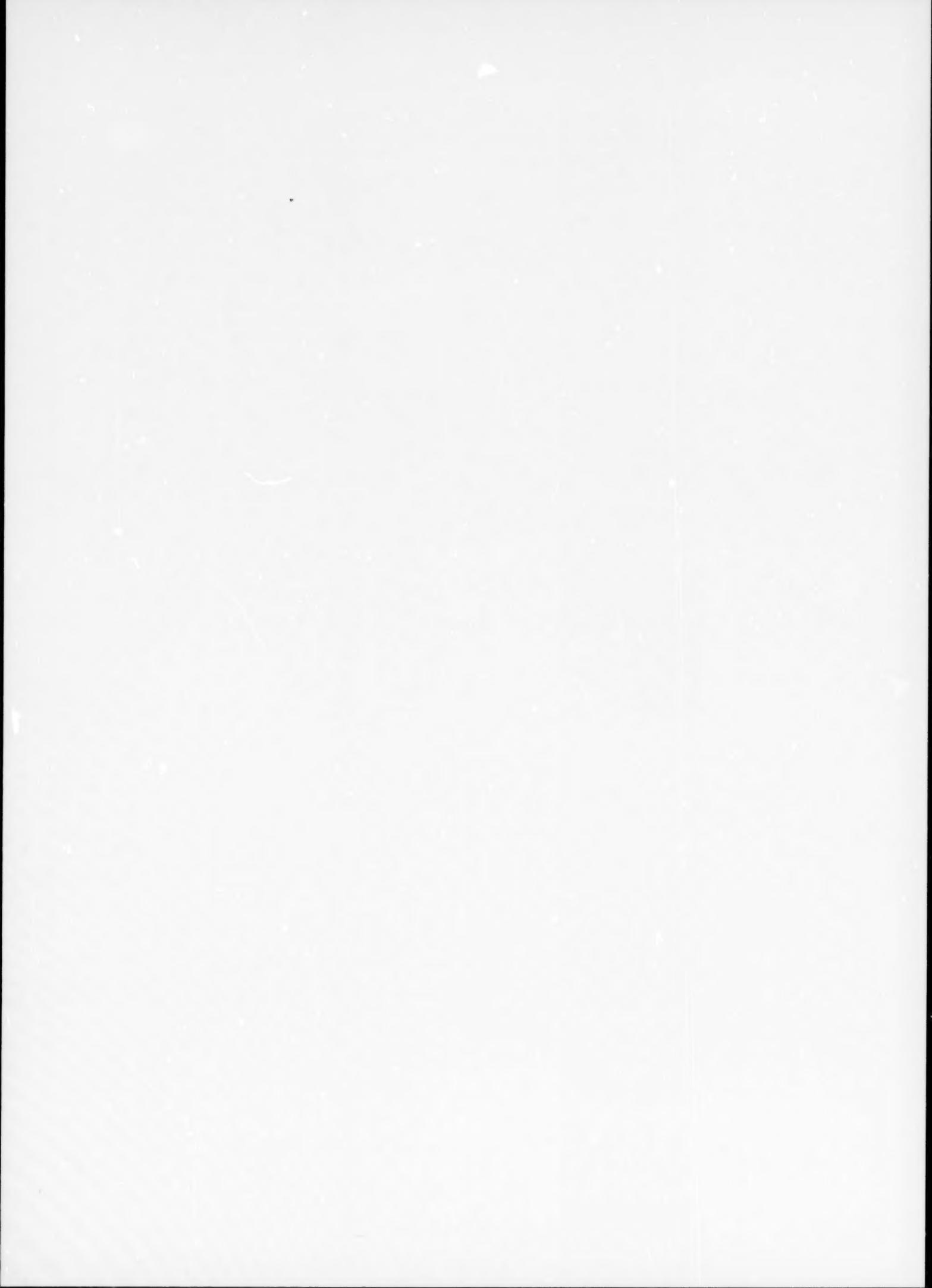
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ARGENTINA

ECONOMIC POLICY SCORED; RULING PARTY'S ELECTORAL DEFEAT PREDICTED

Buenos Aires LA PRENSA in Spanish 19 Feb 87 p 3

[Text] Montevideo (EFE)--The Argentine people are preparing to reject the economic policy of President Raul Alfonsin in next October's elections, said the president of the Argentine Businessmen's Center (CEDEA), Marcos Bergenfeld, who is in Uruguay.

"I think that the president (Alfonsin) is going to receive a severe setback at the next election, and our mature citizenry is going to teach him a lesson about facing the facts," he added.

In an interview with EFE in Montevideo the business leader also said: "I want to quote President Alfonsin's words to the effect that in a democracy we have to learn to tell ourselves the truth and say what we think."

Possible Capital Flight to Uruguay

Criticizing Argentina's economic leadership, Bergenfeld noted that industrial bankruptcies are up more than 150 percent in the first 10 days of February this year from the same period last year.

He added that industrialists, "who are selling off their machinery and equipment at 10 percent of their international value," are prepared to set up shop in Uruguay, "because a very important law on industrial parks and free-trade zones is going to be passed here."

He explained that one of the reasons he is in Montevideo is that he feels Argentine industrial firms are prepared to come to Uruguay, "because in my country businessmen are used, decimated, entangled in endless red tape and there is no market for the goods that they produce."

"Lesson at the Polls"

Bergenfeld said that at the ballot box in October "Alfonsin is going to put all of his prestige on the line, but he is going to be taught a lesson, because there has been deceit and lies; impossible things were promised, and now there is talk of magic." He was referring to the Argentine president's

recent speech. Alfonsin said Friday that "there are no magic solutions here for economic problems."

The president of the business center commented in Montevideo that "the problem has to do with competent and incompetent people. All problems are solvable, but to some they involve magic because they do not have a competent team, while to others an answer could seem easy if they approach the problem as economists."

Bergenfeld emphasized the setback that Alfonsin could suffer because "the people have a debt to collect through ballots and elections."

According to him, "the price that Alfonsin will have to pay will be his departure, because I think that if the plebiscite on his administration's economic plan is as harshly negative as I expect, under the constitution he will have to make way for Vice President Victor Martinez."

#### The Austral Plan

He also remarked that the Austral Plan has come to an end and that "in the coming months Economy Minister Juan Sourrouille and his team will surely be replaced by another group of technicians or accountants who are divorced from reality in the country and who will seek to reschedule loans and manipulate indices."

He felt that the other similar shock treatment tried in the Southern Cone, the Cruzado Plan, has a better chance because of Brazil's potential.

"In spite of the mistakes in the Cruzado Plan, its rapid implementation and its apparent collapse, I think that Brazil has more ways out. I can't say the same for Argentina," he said.

The CEDEA president emphasized that "Argentina has suffered from structural defects over the past 10 years, and the decline has steepened over the past 3."

#### Record Number of Bankruptcies

Bergenfeld emphasized to EFE that the record number of bankruptcies that began in 1985 is an increasingly depressing statistic.

"Companies are falling apart, and production and Argentina's future as a producer are waning," he said.

He also pointed to the increase in indebtedness in the form of Bonex (dollar-denominated public-debt bonds) to prop up the exchange rate on the parallel market.

He reported that the Central Bank sold \$30 million worth of bonds last Tuesday, \$17 million on Wednesday, \$11 million on Thursday and \$15 million on Friday.

"The government is borrowing more money in the people's name to continue mortgaging the future," Bergenfeld asserted.

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CSO: 3348/220

'SECRET REPORT' FORECASTING INFLATION CALLED 'DESTABILIZING'

Buenos Aires AMBITO FINANCIERO in Spanish 9 Feb 87 pp 28-30

[Text] Exactly a year ago a report forecast that the floating dollar would be worth 1.6 australes. It was perhaps this item in the report by creditor banks that caused the most furor, although it also predicted faster inflation as of April and the crisis in the interbusiness market and in the trade balance. At the time, the administration regarded it as a damagingly unfavorable report, even a destabilizing one. We must not forget that around that time the dollar stood at 0.8 of an austral. The same specialists who drafted that report have now outlined the prospects for this year's Austral Plan, including figures for 1988 and 1989. They do not corroborate the official numbers for either growth or inflation. Their number for the former is almost half the government's, and for the latter practically double. In general, however, it can be regarded as a favorable report with respect to external support, the trend in the dollar (putting it at 2.4 australes by year end) and the macroeconomic figures for the next 2 years.

Inflation is unlikely to drop below five percent during any month of 1987. And in September the index could climb as high as it did last August (8.8 percent). The devaluation of the austral will average five percent a month by late March, with the official dollar standing at around 1.45 australes.

These are some of the predictions about the Austral Plan that a group of econometricians have made for Argentina's creditor banks. They concern mainly this year but also extend to 1989, when general elections will be held. This is the same team that in late 1985 predicted a quickening of inflation to five percent a month by March of last year, a floating dollar at 1.6 australes and the crisis in the interbusiness market in the wake of the exchange rate escapade, among other predictions that seemed preposterous at the time and that this paper published exclusively exactly a year ago.

The report for the creditor banks now forecasts that the floating dollar will stand at 2.5 australes by late December 1987, with a gap of slightly more than 10 percent vis-a-vis the official exchange rate, which will be around 2.25 australes. It talks of GDP growth of 2.6 percent this year, which is slightly more than half what the economic authorities are predicting, and says that the retail price index will be up 82.5 percent and the wholesale index 66.9 percent.

It adds that the trade balance will show a surplus of \$3.1 billion and that the current account deficit will decline by almost 20 percent to \$2 billion.

The extensive report abounds with data, numbers and forecasts. It was drafted on the basis of information available as of mid-January, and several sections raise points that could become grounds for concern. Since its predictions last year were extremely accurate, the salient points in the report, which is already in the hands of foreign banks, bear reproducing:

--In spite of the indisputable magnitude of Argentina's economic problems, we can be cautiously optimistic about the medium term. The administration seems to want to commit itself to an economic program that emphasizes price stability, structural reform in the public and financial sectors and moderate growth with higher investment and a more active commercial sector.

--However, a setback on the inflation front similar to last summer's (in the northern hemisphere, in other words, July and August), could severely damage the credibility of the administration's policies and have adverse consequences for medium-term economic prospects.

--The estimates of medium-term growth remain modest. In spite of the shift in the strategy of the problematic energy and agricultural sectors towards industrial expansion and the privatization of state-run enterprises, it is being done too slowly to assure rapid economic growth before the end of the decade.

--The rescheduling of the debt falling due in 1986/1987 and possibly in 1988, including \$1.2 billion in BONODS and promissory notes issued in 1982 and 1983 (to cover the reschedulings of the private sector), and a "new money" package from commercial banks will be completed before the end of the first quarter. In any event, the negotiating timetable could be delayed due to the situation in Brazil, and thus the government could secure the best possible terms.

--Before this, the commercial banks will extend principal payments and commercial loan repayments without delay. The financial support that Argentina is receiving from the IMF and its external creditors will help to stabilize the banking sector, but the government will begin 1987 with interest payments in arrears, inasmuch as the Central Bank will choose not to let go of additional reserves.

--The recent sharper devaluation of the austral will continue during the first few months of 1987, and inflation is unlikely to drop much below five percent in any month. The September rate could be close to that of August 1986. By late March the monthly devaluation rate of the austral could be averaging five percent, and the dollar could stand at 1.45 australes by the end of that month.

--By January 1988 the austral will be at 2.25 to the dollar, a 77 percent devaluation in nominal terms. The austral is expected to remain under pressure until exchange rate conditions improve as a result of external

disbursements and the rescheduling of the 1987 debt, in addition to higher export revenues.

--Inflation is expected to fall to 70 percent a year in 1988 (4.5 percent a month) and remains the key to predictions about the dollar. Unfortunately, inflation forecasts become very uncertain when the rate exceeds 40 percent a year. Argentina is no exception. We could say that an optimistic forecast would be 40 percent and a pessimistic one, 100 percent.

--The government will continue to devalue the austral at a pace of around four to five percent a month. Devaluations to make the austral more competitive, bearing in mind the difference in inflation between Argentina and its trading partners, will be undertaken as early as next year.

--The report indicates that whereas there was a 60 percent devaluation, prices were up 90 percent as of 13 January, which explains the waning attractiveness of the Argentine currency to market agents, even at a decontrolled rate of 8.7 percent a month.

--It cautions that the automatic indexing mechanisms designed to insulate the real economy from inflationary disturbances are grounds for concern.

--Another red light according to the report is that the Central Bank remains the largest borrower in the economy. The report is also skeptical about the cost of streamlining the public sector, which it estimates at no less than \$3,000 a person on the average.

#### Exchange Rate and Financial Trends

<u>Category</u>	<u>January 1987</u>	<u>February 1987</u>	<u>April 1987</u>	<u>July 1987</u>	<u>January 1988</u>
Exchange Rate	1.27	1.34	1.54	1.80	2.25
Floating Dollar	1.60	1.70	1.85	2.00	2.50
Gap (%)	26.0	26.9	20.1	11.1	11.1

#### Outlook for the Austral and Macroeconomic Trends (Year to Year Growth)

<u>Category</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Real GDP	4.0	2.6	3.1	4.0
Industrial Output	10.0	3.9	5.0	5.0
Retail Prices	90.0	82.5	60.8	75.0
Wholesale Prices	65.4	66.9	55.6	68.7
Money Supply	99.5	74.3	57.3	52.4

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ARGENTINA

INDEC STATISTICS SHOW UNEMPLOYMENT AT 12.5 PERCENT

Buenos Aires AMBITO FINANCIERO in Spanish 13 Feb 87 p 3

[Article by Luis Castillo]

[Text] The rate of unemployment and underemployment in the country in 1986 stood at 12.5 percent (5.2 and 7.3 percent, respectively), while the employment rate stood at 38.9 percent, the National Institute of Statistics and Census (INDEC) reported yesterday.

To judge by the numbers that INDEC compiled, unemployment was down slightly last year from 1985 (5.2 percent in November 1986, compared to 5.9 percent in October 1985). The same was true in the major metropolitan area, considered on its own, as joblessness declined in Greater Buenos Aires from 4.9 to 4.4 percent. Nevertheless, in some cities in the interior the unemployment rate remained high, especially during the first half of the year. In Greater Resistencia it stood at 16.4 percent, dropping to 8.6 percent during the second half; in Formosa the rate was 12.6 percent; in Santa Fe and Santo Tome it was 12 percent, later falling to 9.7 percent; and in Greater Tucuman and Tafi Viejo the rate remained at 13.6 and 12.5 percent.

INDEC's statistics go up to October 1986 and are based on the ongoing survey of homes. The unemployment rate applies to those individuals who are out of work and are actively seeking jobs, while the underemployment rate applies to individuals who work less than 35 hours a week and want to work more.

There are three identifiable trends in the open unemployment rate: a) no apparent change; b) a significant drop, and c) a noticeable increase.

The first applies to the largest group of cities, including Greater Buenos Aires, Bahia Blanca, Greater Catamarca, Greater Cordoba, Goya, Santa Rosa, La Rioja, Greater Mendoza, Posadas, Neuquen, San Luis-El Chorrillo, Rio Gallegos, Santa Fe-Santo Tome, Santiago del Estero-La Banda, and Greater Tucuman.

There was a significant decline in the unemployment rate in Greater La Plata, Curuzu Cuatia, Tarana, San Salvador de Jujuy and Greater Rosario. The third trend applies to Comodoro Rivadavia.

Furthermore, the underemployment rate did not change in most cities from October/November 1985. There were significant increases only in four: Greater San Juan, Rio Gallegos, Santa Fe-Santo Tome, and Santiago del Estero-La Banda.

**INDEC--Ongoing Survey of Homes, Main Urban Areas, Unemployment Rate as a Percentage of the Work Force**

Provincia	Aglomerado urbano	1982		1983		1984		1985		1986	
		A	O	A	O	A	O	A/My.	O*	Jun.*	Nov.*
Buenos Aires	Gran Buenos Aires	5,7	3,8	5,2	3,1 <sup>1</sup>	4,1	3,5	5,7	4,9	4,8 <sup>1</sup>	4,4
Provincia	Aglomerados urbanos del interior	1982		1983		1984		1985		1986	
		A	O	A	O	A	O	My.	Nov.*	My.	O*
Buenos Aires	Gran La Plata	3,7	3,8	5,-	5,-	5,3	6,2	7,0	6,8	6,2	4,7
	Bahía Blanca	5,-	5,-	5,-	5,-	5,-	5,-	7,9	6,4	8,3	6,5
Catamarca	Gran Catamarca	6,4	7,3	5,-	6,1	5,2	5,7	5,8	6,0	9,2	6,9
Córdoba	Gran Córdoba	4,8	3,9	4,4	5,6	4,4	5,1	5,3	4,1	6,4	5,1
Corrientes	Corrientes	5,4	5,1	7,2 <sup>2</sup>	7,0	6,0	6,3	9,9	7,7	8,3	7,-
	Curuzú Cuatiá	7,8	2,0	6,5	5,7	3,4	6,3	10,4	8,8	8,5	6,4
	Goya	5,8	7,6	6,5	4,8	3,9	5,9	5,3	5,0	5,1	5,6
Chaco	Gran Resistencia	5,2	5,9	6,3 <sup>2</sup>	6,1	5,4	4,5	5,4	5,-	16,4	8,6
Chubut	Comodoro Rivadavia	3,9	3,0	4,3	3,3	4,4	2,9	3,8	5,2	5,9	7,0
Entre Ríos <sup>3</sup>	Paraná	6,5	5,8	7,0	4,5	5,7	4,2	5,5	8,4	7,6	5,4
Formosa	Formosa	9,2	8,5	8,3	6,7	4,2	5,3	6,0	10,7	12,6	7,-
Jujuy	San Salvador de Jujuy	8,3	8,2	7,4	6,3	9,8	6,3	5,-	5,-	5,4	5,2
La Pampa	Santa Rosa y Toay	5,-	5,-	3,5	1,7	2,3	4,1	4,1	2,9	3,7	3,5
La Rioja	La Rioja	8,0	8,3	9,1	7,3	5,7	5,6	5,6	4,7	5,8	4,3
Mendoza	Gran Mendoza	4,8	3,3	4,5	4,5	3,3	3,7	3,6	3,7	4,9	3,4
Misiones	Posadas	6,9	3,6	7,4 <sup>2</sup>	6,5	4,5	5,4	7,9	7,6	7,6	6,6
Neuquén	Neuquén	4,0	3,6	3,9	3,8	3,4	3,3	4,1	5,1	5,1	4,0
Salta	Salta	7,5	6,6	7,8	7,3	9,1	9,2	8,6	8,2	8,9	7,-
San Juan	Grán San Juan	5,8	9,3	5,2 <sup>2</sup>	7,7	8,5	7,1	7,0	9,1	9,4	7,9
San Luis	San Luis y El Chorrillo	5,6	5,4	3,5	3,6	4,9	4,3	4,0	3,1	5,2	3,8
Santa Cruz	Río Gallegos	5,-	1,4	1,0	3,3	3,0	2,9	3,1	2,6	2,7	1,9
Santa Fe	Gran Rosario	8,4	8,0	6,3	5,-	6,8	6,2	10,9	10,2	6,8	7,2
Santiago del Estero <sup>4</sup>	Santa Fe y Santo Tomé	10,7	9,0	9,1	5,-	10,6	8,6	7,6	10,5	12,0	9,7
Tucumán	Santiago del Estero y La Banda	6,8	7,7	8,2	5,3	3,9	3,3	3,6	3,9	4,2	3,0
	Gran Tucumán y Tafi Viejo	11,0	8,7	8,1	7,5	8,5	10,6	12,1	11,4	13,6	12,5
	<b>TOTAL GENERAL</b>	<b>6,0</b>	<b>4,6</b>	<b>5,5</b>	<b>3,9<sup>2</sup></b>	<b>4,7</b>	<b>4,5</b>	<b>6,3</b>	<b>5,9</b>	<b>*</b>	<b>5,2</b>

\* ) Provisional figures

1) Half of the total sample was polled

2) Flood zone

3) The Concordia and Gualeguaychu urban areas are no longer surveyed.

4) [does not appear]

5) Information is not furnished for all of the urban areas because different reference periods were used for the ones that heavily influence the total (Greater Buenos Aires and Greater Rosario).

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CSO: 3348/220

ARGENTINA

ECONOMISTS DIFFER ON SOURROUILLE'S HANDLING OF ECONOMY

Buenos Aires LA PRENSA in Spanish 19 Feb 87 p 11

[Text] Economy Minister Juan Sourrouille has been on the job for 2 years now, and his performance has been strongly supported and just as harshly criticized by economists belonging to the various schools of political thought in the country.

Sourrouille took over on 19 February 1985, replacing Bernardo Grinspun, who had held the post since the establishment of the democratic government, and less than 4 months after he had implemented the current Austral Plan.

Dominguez

Peronist Jorge Dominguez indicated that Minister Sourrouille "has the technical qualifications to run the economic program that the country needs today." He clarified, however, that "events show he is not competent to head it up."

He added that "a solid grounding in economic theory is a necessary but not by itself sufficient condition for heading up such a stage."

He indicated that "the democratization of political institutions did not bring about a similar trend in the economic sphere," asserting that "the two spheres must be made compatible during the stage that the country is going through."

Garcia Vazquez

The former head of the Central Bank, Enrique Garcia Vazquez, contended that "1986 was a good year" because "inflation declined, the GDP was up 5.5 percent, investment rose considerably and unemployment fell."

He also voiced hope that "the trend will continue in 1987, because both social and economic conditions will improve appreciably throughout the country."

He explained, however, that "we were not helped by international conditions," mentioning in this vein that "interest rates were high, and the most highly developed countries closed their economies to exports and thus ceased to act as driving forces."

"The Austral Plan," he said, "was a good move; it will have to be tailored to the circumstances, which is hard in an economy that has been accustomed to imbalance for 40 years."

He went on to say that "whenever we talk about social plans, we know that they cannot be exact, that they have to be tailored gradually to circumstances and to the various trends that develop."

#### Lacerca

The former secretary of industry under the current economic leadership, Carlos Lacerca, emphasized that "the Austral Plan was absolutely necessary, given the climate of instability that inflation had created."

"The long years of instability had brought us to an almost chaotic state of disarray, and this is one of the main accomplishments of the current economic leadership," he said.

He stressed that "we must strongly support current efforts" because "the complementary stages can emerge only from a discussion and an analysis of what is currently happening."

He commented that "another accomplishment of the current economic program is the in-depth understanding that has been achieved, in spite of disagreements, between the citizenry and its government leaders," and he voiced his hope that "this will improve over time and with good sense."

#### Alemany

Alemany said that "there are very few economy ministers who have lasted 2 years during 40 years of inflation," indicating that "they were Cereijo, Krieger Vasena, Martinez de Hoz and Alsogaray."

"This has been a remarkable performance," he added. "He has managed to keep his team together and to run it well; he has weathered storms, was initially flexible about inflation, then had a period of leveling off and later moved into the managed inflation that we have now."

He specified that external efforts have been "careful," inasmuch as the country has recovered from recession and can just vaguely glimpse new investment."

"Much remains to be done, such as bringing in investment, cutting spending and privatizing," he noted.

#### Di Tella

Peronist economist Guido Di Tella asserted that "unless confidence is restored and a genuine attempt is made to hammer out a social pact, it is hard to believe that the trend towards ever lower economic growth can be reversed."

He underscored that "the first attempt, which was to reduce the catastrophically high inflation rate, was successful, but the goal of stability has not been achieved."

"This plan worked so-so and recently it has been doing poorly," he said, adding: "because monthly inflation is on the rise, and interest rates are incompatible with long-term stability."

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CSO: 3348/220

## EVOLUTION OF IPC CENSUS, MODIFICATIONS UNDER STUDY

### INE Officials on Updating Basket

Santiago ERCILLA in Spanish 18 Feb 87 pp 16-17

[Text] Like the triumphs of Colo Colo, this has also made the front pages of the national press; it is the lead story on the television and radio news broadcasts, and regular programs are even interrupted for a flash bulletin on it. It is compiled monthly, and in the days before it is released, people actually place bets on how much it will be. Afterwards, a variety of opinions are issued regarding the results. It is the Consumer Price Index (IPC) that is drawn up by the National Institute of Statistics (INE).

Defined as "a yardstick that synthesizes the movement of the prices of all products consumed by the entire population," the IPC has become, over the last few decades, a socioeconomic necessity. Salary and pension adjustments, collective bargaining, property rentals, and . . . the Unidades de Fomento (UF), among other things, are tied to the fluctuations in this index.

The IPC has such a broad sphere of influence that economists, businessmen, labor and trade union leaders, politicians, and consumers all have opinions on it, whether they are experts or neophytes. Every once in a while a variety of proposals are made with respect to its composition, and "parallel baskets" are even devised to calculate more segmented indices.

A few days ago, INE Director Alvaro Vial reported that his agency was studying the possibility of drawing up a new basis for the IPC, which could begin to take effect by the end of next year.

### Series of Indices

The history of the IPC in Chile began in 1923, when the first "Cost of Living Index" was calculated. Made up essentially of wholesale prices, the basket contained 53 items classified as lighting and fuel, food, beverages, clothing, and transportation. The base year of this indicator was 1913.

In 1928 a cost of living index was devised for Santiago, based on the consumption of national goods and services at the retail level by the families of white-collar workers in the capital. It consisted of 43 items, divided

into five groups. It lasted for three decades, during which time many changes were made, obviously, in the consumption habits and tastes of the population, aside from socioeconomic changes. In 1958 what could be called the first IPC, strictly speaking, began to be applied as a result of a Survey of Family Budgets. That survey was limited to families of blue- and white-collar workers in Greater Santiago. A total of 2,099 households were surveyed, and a basket of 112 goods and services was established, divided into four groups: food, housing, clothing, and miscellaneous.

Ten years later, a new family budget survey was conducted. The number of homes was increased to 3,447, and the socioeconomic spectrum of those polled was also broadened. In addition to blue- and white-collar workers, retirees, renters, employers, and the self-employed were also interviewed. And the basket expanded to 305 goods and services, although in 1974 it shrank again to 298.

Between December 1977 and November of the following year, a third survey took place in Greater Santiago. This time 4,800 homes were involved, distributed in such a way as to represent proportionally the various socioeconomic levels. According to this study, these households consumed a total of 1,409 types of goods (equivalent to more than 20,000 items when varieties in quality, brand, weight, packaging, and other factors are taken into consideration), finally yielding a basket of 348 goods and services. This is the basket that is currently being used. All kinds products or subgroups were included in the basket, the criterion being that they represent at least 0.04 percent of average expenditures.

A team of INE pollsters, armed with clipboards and ignoring inclement weather, ask 60 sources each week about the 132 items in the food category. In the case of housing, clothing, and miscellaneous, the number of sources consulted is 30 for each item, and the polling is done once a month. The monthly cost of formulating the IPC is about 3.3 million pesos.

The current basket, like its predecessors, has been the subject of controversy; it has come under fire from a variety of fronts on the national scene, either because of the number of items that comprise it or because of the weighting that is given them.

#### Comparisons and Doubts

The most recent observation came in the past few days from the National Association of Government Employees (ANEF), which proposed a basket of 100 basic items. A comparative study of similar indicators throughout the world, prepared by Vial, indicates that the smallest one in use is that of Peru, and it has 73 items more than the one advocated by the local employees association. At the other extreme is the Israeli basket, with more than 1,000 goods and services.

As for the weighting, 41.89 percent of the Chilean basket consists of foods. Algeria and Argentina, with 46.3 and 45.6 percent, respectively, are the countries that attribute the greatest weights to the food category. In Canada

and the United States, on the other hand, food is assigned 21.1 and 20.1 percent, respectively.

Luis Gatica, a career INE official with three decades of experience in IPC surveys who is now assistant director of operations in his section, declared emphatically that "you must understand that this indicator does not represent anyone in particular; rather, it averages everyone." Incidentally, he cleared up some doubts:

[Question] Why not a basket with fewer products, just the basics?

[Answer] An index with few products is an index that could be manipulated by any economic policy. The government merely has to decide to subsidize a few key products to contain or reduce inflation.

[Question] But isn't the effect of fluctuations in the prices of basic necessities diluted as more products are included in the basket?

[Answer] Yes, and that is why we try to make this basket an accurate reflection of all strata, and to ensure that the weighting is consistent with reality.

[Question] Other entities, such as retail merchants, have made calculations with smaller baskets. What were the results?

[Answer] In fact, the retail merchants devised their own IPC. The differences were not so great, and at a given moment theirs began to yield less than the INE's IPC, so they decided to drop it.

[Question] Why was that?

[Answer] There were exaggerations in their price-taking. They reached such a high ceiling that the phenomenon reversed itself. The INE's statistical technology is good, efficient, and timely.

[Question] The IPC is based on surveys and calculations made in Greater Santiago. Is it representative of the rest of the country?

[Answer] To a great extent, yes. While clothing is lighter and cheaper in the north, in the south food is cheaper, and housing items are similar from Arica to Punta Arenas. It all balances out in the end. Moreover, the far reaches of the country enjoy a few benefits.

Chile is one of the few countries that have been updating their baskets virtually every 10 years in recent times, so that they can adjust to changes in public consumption. By way of example, Mexico has been using the same basket since 1938, and Argentina's dates back to 1960.

#### Survey

Conducting a Family Budget Survey is a costly, difficult, and prolonged task. It requires an allocation of more than 100 million pesos.

To determine which items are consumed by people and how important they are in total spending, approximately 4,800 households in Greater Santiago must answer questionnaires regarding their expenses during the 365 days of the year that this job takes. Thus, there is a weekly expenses booklet (including transportation, cigarettes, entertainment, food, beverages, etc.), a personal spending booklet, and a monthly expenses booklet.

The pollster practically becomes a member of the family that is being surveyed, and must earn the confidence of the head of household and the housewife.

Protected by "statistical secrecy," the data are supervised to ensure that the survey will be as accurate a representation as possible of the composition of spending by these family groups.

This will be repeated again in a few months, when the green light is given for the formulation of a new basket.

#### Habits and Spending

Alvaro Vial explained that "the things that people buy depend on taste, relative prices, and income." During a decade, these three factors undergo more or less important changes. For example, the application of an open policy on foreign trade, the implementation of equal tariffs, and a high real exchange rate lead to certain consumption patterns. The same is true of technological advancements and changes in income.

Although it is difficult to predict changes in the weighting or in the number of items in the basket, some modifications can be foreseen by virtue of mere personal experience or observation. Today more people are paying mortgage dividends than a decade ago; consequently, more weight must be given to that item. The same may happen with the Metro, which is used daily by hundreds of thousands of people as a means of transportation. Still within the realm of speculation, some observers of consumption habits argue that sugar will be attributed less weight and that saccharine will be added to the basket, as a result of weight-reduction programs. In addition, because of publicity about health risks, cigarettes may be assigned a lower weight in the basket. On the other hand, there are those who contend that shoe expenditures should be given more weight, arguing that "there are no more double-soled shoes. You can even feel little pebbles as you walk along."

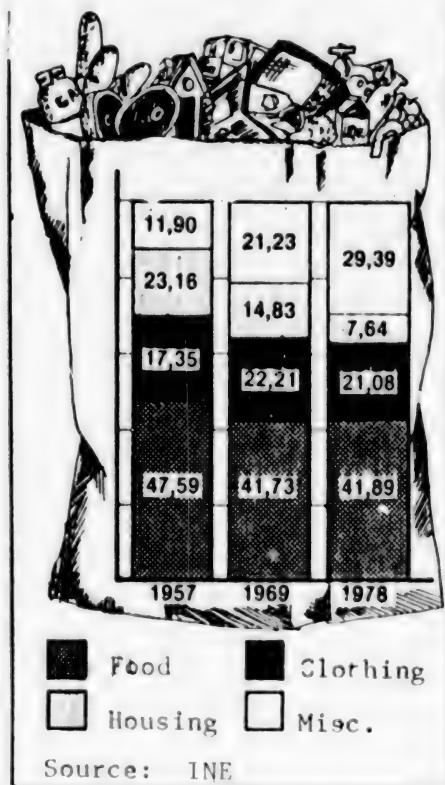
Two other factors that must be considered by statistical experts will be clearance sales and credit cards, both rather recent phenomena in the national economy.

When the current basket was composed 10 years ago, clearance sales tended to last just a week. At present, as can be seen right now, these sales last over a month and are repeated at mid-year.

The director of the INE acknowledges that the calculation of the IPC is the most controversial task his institution carries out. "For the government

official, this is just one more indicator that must be taken into consideration to adjust his policy. For the individual, however, it is a value that legally defines his situation, or most of it," says Vial. Then he adds that "the IPC is expected to serve a function for which it was not designed, and to adapt to what each individual does and thinks. It is impossible to make a private index for each individual."

Composition of IPC Basket  
(%)



#### National Statistics Discussed

Santiago QUE PASA in Spanish 19-25 Feb 87 pp 17-18

[Passages enclosed in slantlines printed in boldface]

**[Text]** Every month, around the 5th, the Consumer Price Index (IPC) comes out. And along with the IPC comes the Wholesale Price Index (IPM), which is less familiar to most of the population. There are also the employment and unemployment rates. All of these are the responsibility of the National Institute of Statistics (INE). For better or worse, we use statistics for everything today, and there is no shortage of cynics who attribute a quite relative value to numbers, because people have the impression that numbers can be used to prove anything, depending on how they are manipulated.

Economic statistics, especially those on foreign trade, and demographic statistics were the first to be compiled in the world, and also in this country. Chile has a long history in this area. It has conducted more than

15 censuses, more or less once a decade, over a period of 150 years. Believe it or not, the INE has been collecting figures for nearly a century and a half. Well, not exactly the INE, under that name, but its direct predecessor, which was founded in 1843 by President Manuel Bulnes. It was called the Statistics Office, and it came under the Interior Ministry.

But time has passed, and things have changed. Now people do not even ask the same questions they did in the past. Every time a census is conducted, officials say, each question has a very high cost and there is pressure to include certain items. For example, until the census of the 1970s, people were asked about their religious affiliation. That was dropped. It is said that the religion declared by the respondents has declined in importance, because not everyone who claims to be a Catholic, for example, really practices that religion.

The percentage of the population that has been vaccinated, the degree of military training the population has received, and even a detailed accounting of the people who have physical defects, are all items that have disappeared from the polls.

But the formulation of some questions is not the only thing that has changed. The methodology of codifying the information compiled has also changed. In fact, pollsters in the past were required to be much more precise about age. A century ago, this was the recommendation: "... the interviewer shall write in clear figures the age the individual or head of household /rationally/ states. If the exact or approximate age cannot be obtained (/always taking care to be extremely circumspect in soliciting such information/), the interviewer shall estimate the age based on the appearance of the person or some other indication. The ages of those who appear to be older than 80 years shall be ascertained with greater caution." At present, in classification by age, the entire population 65 and older is "lumped together." In contrast, for the 1885 census those older than 100 years were counted separately. During that time, there were 484 people who had blown out the candles at least 100 times. As if that were not enough, the oldest man in Chile was even recorded by name. His name was Rafel Munoz (sic), he was a widower, and he lived in Curico. He was no less than 150 years old. Not only that, but according to the figures that were given, it would appear that to reach a ripe old age one should be married. Of these long-lived souls, 83 were married, and only 34 were single. Nevertheless, the largest number of centenarians were widowed: 220 women and 147 men.

Nearly a century ago, the country's total population was 2,527,320. When broken down by marital status (with 15 being the "marriageable age"), singles comprised 27 percent, married 25 percent, and widowed 5 percent. According to the figures from the last census conducted in the country (1982), 37.65 percent of the population over 15 was single, 50.68 percent married, and 5.51 percent widowed. Today, in contrast, those who are living together and those who are separated are also counted; they accounted for 3.42 and 2.74 percent of the population over 15, respectively. The 1885 census did ask people whether they had been married or widowed more than once, however.

## Masculinity Index

That was the name given at that time to the indicator used to calculate the number of women for every 100 men, and it is still used today. Vestiges of machismo? Perhaps, because it could just as easily be called the femininity index and record how many men there are per 100 women. . . In any case, in 1885 there were 1,263,645 men and 1,263,675 women, which yielded an index for the entire population of 100 to 100. Obviously, in the far reaches of the country (yesterday and today alike) there was a "surplus" of men. They say that at the far ends of the country the number of men rises because of the military contingents posted at the borders. We must also not forget that the country had just emerged victorious from the War of the Pacific, and the territory of Antofagasta, among others, had to be secured. In that census, Tacna was included as a Chilean possession. In Antofagasta there were 69 women for every 100 men; in Tarapaca, 75 women for every 100 men; and in Tacna, 90 women for every 100 men. At the other end of the country, in Magallanes was listed at that time as a colonized territory, as was the area of Angol, and their populations were preponderantly male as well. Santiago, on the other hand, had a surplus of women; there were 110 women to 100 men. Nearly a century later, this has not changed much. The Metropolitan Region continues to have the highest number of women: not quite 91 men for every 100 women. On the contrary, Region XII has the largest percentage of men: 118 for every 100 women. It is followed by Region XI, which has 110 men to 100 women. Third place in this masculinity ranking is held by Region I, which has 103 men for every 100 women. Nationwide, the ratio is 95.9 men to 100 women.

## Unusual Professions

It is also interesting to note what activities most of our compatriots engaged in a little over 100 years ago. In the 1885 census, of the total labor force, 188,530 people worked as farmhands or peons. Next came tailors and seamstresses; 116,446 people worked in those trades. In third place was laundresses, with 44,026. This was an overwhelmingly female occupation; only 8 men worked as "launderers."

Among the most exclusive professions (based on the small number of people who practiced them) were those in the entertainment field. There were only seven acrobats in the entire country, four lyric and dramatic actors, two prestidigitators, and one ballerina.

There were also many unusual professions which have disappeared over the years. For example, seven people worked as "enjalmeros." According to the dictionary, this means anyone who "makes or sells packsaddles," meaning the gear carried by beasts of burden. Then there were the phlebotomists, who practiced the "art of bleeding by opening a vein." Thirty-eight people belonged to this trade.

Last makers were in great demand; there were just two in the country. They were the people who made or sold shoe lasts. There were also two sericulturists, that is, people engaged in producing silk.

A significant number of workers (441) were classified as "silleteros," which the dictionary says were people who carried sedan chairs or who made or sold chairs.

Over the years, this degree of precision has disappeared; it is no longer possible to discover odd professions, unless one goes through the interviews one by one. The growth of the population and the need to meet statistical requirements prevent any detailed breakdowns. The curious professions are probably now included in the activity item titled "not fully specified."

#### Physical Defects

Another concern of the officials of that era was to identify the physical handicaps suffered by the population. There was so much interest in these figures that they were compared with similar data from other countries. In the 1875 census, 81 asthmatics were recorded throughout the country, along with 2,220 blind people, 888 paralytics, 1,149 deaf-mutes, 1,069 cripples, and a total of 2,158 "fools and lunatics" (sic). The largest number represented the "miscellaneous handicapped" (sic), who totaled 3,834. All in all, that census recorded 11,379 people with defects, meaning that 1 of every 182 people in the country had physical or mental problems.

As a curiosity, that census also recorded what happened at the Santiago Insane Asylum between 1865 and 1874. An average of 120 people entered the asylum each year; 67 left, and 30 died.

In addition, there was 1 foreigner for every 78 Chileans in the country. Most of them were Americans and Europeans. There were 128 Asians, only 3 of them women. And there were 8 Africans, only 1 a woman.

The amount of education could be measured by the number of people who attended classes and/or claimed to be able to read and write. One in four could read and write. For every 27 inhabitants, only 1 was going to school. Ten years earlier, on the other hand, the ratio was 1 to 23. There were a total of 90,264 students and 1,714 educators, including teachers and assistants. This yielded a student-teacher ratio of 52 to 1.

#### Modern World

Although today the volume of figures processed is immeasurably greater than that of a century ago, because of both the population increase and the classification needs, it is difficult to find curious facts. For example, to find out where the oldest man in Chile is, one would have to pore over a large number of lists and make a specific program to locate that information, but it is obvious that the fact would only be worthwhile for the curiosity it might arouse. Aside from that, however, there are some "appealing" statistics.

In the area of Belen, Region II, 23.8 percent of the population is 65 or older. This is the highest percentage in the country. In contrast, in Villa Ortega, Region XI, the highest percentage of children and teens can be found: 55.9 percent of the population is under the age of 15.

Now, if we take the age index, that is, the ratio of those under 15 to those over 65 (see chart), we see that Region V as a whole has the highest index. It is in Flamenco, in the municipality of Chanaral, however, where the highest index can be found: 500 percent. In this place, for every 2 people under the age of 15 there are 10 over 65. On the other hand, in Quiriquina, Region VIII, the age index is the lowest: 0.65 percent. For every 155 children under 15, there was just one person over 65.

In Guanaco, Region II, the masculinity index is the highest at 4,700 percent. This is a veritable "harem" for women: This town of 48 inhabitants has just 1 woman and 47 men. In this same region, in a rural place near Chuquicamata, the lowest masculinity index can be found: 37 men for every 100 women.

Another index that may be new to the reader is that of dependence. This means the ratio between the population aged 15 to 64, and the population aged 0 to 14 and 65 or older (see chart). The highest index (150.7 percent) can be found in Region I, in Picnamar (municipality of Putre); the total population is 188 people, of whom just 75 are active. The lowest index (0.96) is also found in Region I, in a rural part of Putre; there are just 13 people between the ages of 0 and 14 or 65 and older, while the remaining 1,353 residents are 15 to 64 years old.

In the northern part of the country is the place where the largest families can be found. Guaitecas, Region II, has the largest percentage of families with more than 10 children; they constitute 17.86 percent of the population.

These are just anecdotal statistics that serve a handful of people: those who work with them, and those who "track down" odd information. But it is also important to know that behind these figures is a piece of our history that is fascinating to learn about.

#### Masculinity Index

Country Total	95.9
Region I	103.6
Region II	100.5
Region III	100.8
Region IV	98.2
Region V	94.0
Region VI	102.5
Region VII	101.4
Region VIII	97.9
Region IX	98.9
Region X	99.9
Region XI	110.2
Region XII	118.6
Metropolitan Region	90.9

Source: INE 1982 Census

	Age Index	Dependence Index
Country Total	18.0	61.4
Region I	13.8	57.0
Region II	13.2	60.9
Region III	13.4	64.4
Region IV	18.3	69.2
Region V	22.2	58.5
Region VI	17.9	66.2
Region VII	18.1	67.3
Region VIII	16.0	66.2
Region IX	18.8	72.9
Region X	18.0	69.0
Region XI	11.5	67.4
Region XII	19.7	46.1
Metropolitan	18.6	56.0

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## PROFILE OF BLACK WOMAN PHYSICIAN ON CENTRAL COMMITTEE

Havana MUJERES in Spanish Dec 86 p 18

[Article by Isabel Moya]

[Text] "What will I tell the journalist who is going to interview me? I am a woman like many others in this nation. The only thing I have done all my life is work, work, and work... serve the Revolution. I have never desired any more recognition than that: to be useful.

"Maybe she will not understand that that night, when the loudspeakers in the Villa were calling the comrades who were candidates for the Central Committee of the Communist Party of Cuba, neither my ears nor my heart could believe it: Revolutionary Armed Forces (FAR) Medical Corps Maj Margarita de la C. Veliz Rios! Me? I had not expected such a great honor.

"I couldn't move. I remembered my folks. When we lived in Cocosolo. How Papa had to mend shoes so that we could go to school! We may have been short on food, but we always had plenty of love and affection. I think that because of that, at the most important times of my life, I always feel that my parents are with me, even though they are gone now.

"The journalist must have been born right around the time of the triumph of the Revolution. I, too, in a way, was born with the Revolution. And then I picked up my primer and my lantern. In Niquero, teaching people to read and write, I realized that this was truly great. I joined the Association of Rebel Youths, and later the Union of Young Communists (UJC).

"I liked medicine, and since the Revolution swept away impossibilities, I took up premed studies. I studied hard, but I was also a leader. In those days the class struggle demanded an increasingly firm and responsible attitude on the part of revolutionaries.

"There was such joy at home when I entered medical school! In my family there was no tradition of serving in the military, but when the comrades of the FAR came recruiting, I understood that it was my duty to join up; I would be a military doctor.

"And to think that now I would not be able to live without the Armed Forces! I love the FAR as a part of myself. The military has educated and trained me; I owe everything I am to it.

"Will she be interested in my telling her about Damaris? I remember when she was a little girl and I was doing my residency. And now she is practically a woman: 13 years old. I am not just saying this because I am her mother, but she really is very beautiful, very graceful and delicate.

"She is a very good student, and at the Lenin School I have never heard a complaint about her. I always go to the parents' meetings anyway, because you can't be too careful. I help as much as I can; the school administration was very pleased when I explained that as a child psychiatrist, I could provide consultation for the children who needed it.

"Anyone who is incapable of solving his own family's problems and raising his own children, understanding them and meeting their needs, cannot be a good leader. At least that is what I believe. Some parents tell me they do not have time. But when the child has serious problems, then they find the time. You always need to have time.

"Shall I tell her about my husband? Yes, I have to tell her that we are a happy and very stable family. Our marriage is based on principles, on understanding, love, and equal rights and duties. I think that everything begins to fall apart when one of these principles is violated.

"What a reception I got from my comrades at the Carlos J. Finlay Military Hospital the day I showed up for work after the Congress! What greater satisfaction could there be for a leader? As chief of the hospital's Political Section, I was so pleased to realize that I am loved and respected by my comrades.

"The military chief should be, above all, an example. In addition, she should be demanding of herself and of her subordinates. But she must be capable of understanding, and should not forget that she must educate constantly, especially now that we are working with very young people. To make the fairest decision, you have to listen to your comrades.

"And if I tell her about receptions, I must not forget to mention the one my neighbors gave me. The truth is that I participate in the activities of the Committee for the Defense of the Revolution (CDR), and I see my comrades in the neighborhood when I go to the store or to the milk stand. But I didn't think they held me in such high esteem.

"The journalist will laugh when I tell her that at 39, I envy the young people in the Family Doctor Plan. That is a brilliant idea thought up by the commander in chief. And the young women participating in the plan! Women are taking their place more and more in all sectors, and their role in the FAR is growing.

"The Cuban woman has a tradition and example to follow in her elders, who defended the fatherland, so she can do any task among the troops.

"She will certainly ask me about my hobbies. The ballet, the beach, the theater, and reading are my favorite pastimes, but in fact I don't have much free time."

(Journalist: I have been watching this woman stare at the sea, lost in intimate reflection, for some time now. I think I see a tear glistening in her dark eyes. I decide to ask her: Why so quiet, Margarita?)

"I was organizing my thoughts a little, but whenever you want we can begin the interview."

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CASTRO CHAIRS MININT MEETING; CRIME, SUBVERSION DISCUSSED

Havana BOHEMIA in Spanish No. 5 30 Jan 87 p 27

[Article by Jotape Garcia]

[Excerpts] A far-reaching analysis of the many complex and varied tasks society has entrusted to the Interior Ministry (MININT) this year was conducted in the presence of Comrade Fidel, accompanied by Army Gen Raul Castro.

Maj Gen Jose Abrantes, head of that institution, launched the debate by explaining the purpose of the meeting and the status of the work being done by the ministry's operative, political-ideological, and insurance agencies.

Also present were the first secretaries of the Provincial Party Committees, the Isle of Youth Special Municipality, and high-ranking officers of the Revolutionary Armed Forces (FAR).

During the first working session, the plenum heard a detailed report on the attempts at aggression and the subversive work carried out recently by enemy agencies against the Cuban Revolution. On this item of the agenda, the participants confirmed the experience that has been gained and the conviction that the technical and moral training of security combatants is a bulwark of the people and of the construction of socialism inside and outside our borders.

One of the problems that merited special attention by the participants in the meeting was the strengthening of the National Revolutionary Police. As the document was read, those present became aware of the valuable development that has taken place and the increase in the forces and facilities in this agency. This means that it can move on to the phase of enhancing its operational effectiveness, especially with respect to those crimes and behaviors which are not only economically harmful, but also have a considerable impact on the morality of our people.

The matter of traffic accidents caused participants to stop and reflect, to define ideas, and to apply the necessary measures. The figures on accidents, deaths and injuries, as well as the material damages caused by these accidents leave no room for doubt that this important front must be given priority. In

this way, the negative balance that has been recorded in recent years can be reversed. In one way or another, all the economic and social entities of the country must play a role in this effort.

An important moment in the meeting came when the penitentiary system was examined, particularly with regard to the granting of probation to prisoners who do not pose a serious social threat, the rigorous classification of the prison population so that differential treatment can be given, and the acceleration and revitalization of reeducation work and the incorporation of convicts into productive tasks and other socially useful activities.

Finally, the participants discussed aspects related to the military, technical, and political training of combatants, sergeants, and officers; organizational and functional problems; the economic-financial policy in terms of savings and the rational use of resources; and interaction with the other agencies of the central state administration.

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FMC MEETING ON JUVENILE DELINQUENCY, HIGH CRIME AREAS

Havana GRANMA in Spanish 22 Jan 87 p 2

[Article by Mirta Rodriguez Calderon]

[Text] Those who participated yesterday in the 2nd Social Work Seminar of the Federation of Cuban Women (FMC) felt that the day was a useful one, because the matters discussed there are a concrete reflection of the broad spectrum of problems and achievements, deficiencies and successes, concerns and hopes that characterize social action in our country.

The meeting was opened by Osoria Herrera, of the FMC National Secretariat. Then opening speeches were given by Aracely Careaga, vice president of the Commission on Attention and Social Prevention; and Raul Castellanos, of the National Bureau of the Union of Young Communists (UJC).

The participants then broke up into committees to discuss the results of the research done by specialists, experts, and federated social workers. It was then that the debates prompted by the speeches added to the intrinsic value already contained in them.

Psychiatrist Guillermo Amaro played the role of opponent in the debate on the study presented by Sabina Troche, an expert from Camaguey. Troche's study showed how the community and its assimilation or rejection of the so-called "deviants or antisocials" can save or sink them forever. After praising the report, Dr Amaro warned about the generality of some recommendations which go beyond the framework of the study itself.

Then Committee 1 analyzed the case presented by Luisa Ramos, a social worker from Sancti Spiritus, who summed up the methods used to reincorporate a young delinquent into a normal and useful life. The boy's story reveals that after his parents were divorced, he fell under the influence of an alcoholic, thieving stepfather who caused scandals and conflicts.

The action of the social worker and other forces of the community got the boy into a reeducation center, where he continued to have problems until the social worker's efforts, like a drop of water etching a rock, managed to change conditions in his family and social environment. After nearly 2 years of reeducation, he went on three outings, behaved well during his leaves, was

creative in sporting and cultural activities, and overcame his problem behavior. Today the boy is a construction worker. Psychologist Vilma Valdes played the role of opponent in the debate on this paper.

Committee 2 discussed matters related to social work in the schools, while Committee 3 focused on the problems of "conflictive neighborhoods." In the latter committee, a serious debate ensued after social worker Francisca Vazquez Sosa presented her paper on the situation of the Jesus Menendez district in the municipality of Boyeros, and on the work that has been and will be done there. This barrio, one of the most problem-ridden in the area, assimilated among its residents some of the former inhabitants of the old Havana area of Las Yaguas.

The author called for action by several organizations and agencies, and included in her suggestions the possibility of studying the disintegration of the neighborhood. The latter prompted a large number of responses after Dora Carcano, a member of the Central Committee and secretary general of the FMC, suggested that other comrades share their experiences in similar districts.

Eneida Rios, of Havana, emphasized the presence in these barrios of a vast majority of people who are very good and very revolutionary, and condemned the attitude of those who feel it is demeaning to have to go to them for any task.

Joaquina Naranjo of Santiago de Cuba told of the accomplishments in five similar neighborhoods, none of which disintegrated because of vigorous and concrete action. Thanks to this action, bad seeds were "burned" on the basis of information provided by the residents themselves, who until then had been reluctant to come forward out of fear of the delinquents. Catalina Palomo of Guantanamo noted the lessons that can be learned from these neighborhoods when officials and leaders go there to learn, and also to work for social and collective stability.

The debates of the FMC Social Work Seminar will continue today.

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TEACHERS JAILED FOR SELLING GRADES, CURRENCY TRAFFICKING

Havana BOHEMIA in Spanish No. 52 26 Dec 86 pp 21-26

[Article by Lisanka; passages enclosed in slantlines printed in boldface]

[Excerpts] /Eleven teachers of a student at the Antonio Guiteras Preuniversity School in this capital were tried in a very summary proceeding in Section 4 of the Penal Court of the People's Provincial Tribunal of Havana, for the crimes of falsifying educational evaluation tests, foreign currency trafficking, illicit economic activity, and falsifying identification documents./

/The trial lasted 3 days, and was termed historic by the prosecutor who filed the charges, given its political and ideological importance./

/Defendants Jesus Ramon Martinez Ramirez, Clara Matilde Rodriguez Olive, Dennis German Lorenzo Hernandez, Carlos Garcia Rodriguez, Lincoln Hilario Brito Alvarez, Pedro Rodolfo Martinez Silva, Horacio Maximiliano Ramirez Suarez, Jose Antonio Perez Escobar, Rolando de la Caridad Vera Reyes, Carlos Manuel Berros Mendoza, and Eduardo Castano Quintin were found guilty./

/All of the defendants, except for Eduardo Castano Quintin, filed appeals and are awaiting final judgment. The other verdict, that of our society, is unappealable. Posing a threat to our future is too serious an offense to have any extenuating circumstances or pardon./

On 16 July 1986 the provincial attorney general's office in the capital received a report from the education minister that a student at the /Antonio Guiteras/ Preuniversity School had been accepted for admission to the school of economics at the University of Havana without having passed grades 10 and 11, as he had repeated grade 10. It was also alleged that the academic results of a 10th grade student had been falsified in her cumulative file.

Two national inspectors of the Ministry of Education (MINED), Barbara Hernandez and Maria Barbon Catala, had conducted a series of preliminary investigations, and learned that something known among the students as /grade fixing/ was going on at this campus.

It was decided that a prosecutor should file charges and that the investigations should be carried out to their logical extreme. On that basis, steps were taken to verify the report. Once the possible culprits were identified and a volume of evidence had been gathered, several teachers and the faculty secretary at the school were arrested.

#### Innovative Crime

/Grade fixing,/ as a /modus operandi/ is a unique crime. It was not easy for the jurists to classify it. The term /"fixing"/ is not strictly a legal term. Nonetheless, behind that inoffensive word lay a veritable racket between some teachers and students, and if it had spread it would have posed a serious threat to our future.

The hub of this activity was the secretary's office at the school, located in the municipality of Plaza. The principal players were Faculty Secretary Clara Matilde Rodriguez Olive, Assistant Faculty Director Dennis German Lorenzo Hernandez, and teachers Jesus Ramon Martinez Ramirez and Carlos Garcia Rodriguez.

These four individuals even went as far as to coordinate their efforts during a meeting, at which they agreed to turn over blank test papers in the necessary subjects to a group of students, who in turn would give them valuable items and money in exchange.

By the time the prosecution began, the fraud had reached unsuspected levels, and it had apparently been practiced for years, possibly since the 1983-84 term, according to the oldest information. That was when Eduardo Castano, one of the defendants who had taught Material Base of Production, led three students to believe that they had failed their exams and demanded 20 pesos to pass them.

There was no way to stop this activity but to cut it off at the roots, where it had been planned and carried out by a group of unscrupulous individuals who had been entrusted with the responsibility of educating and training our youths.

The investigations began to shed light on the facts as other related crimes became apparent. But the basic crime, the /fixing,/ was a business in which 11 teachers and more than 70 students were involved.

How did they operate? The students who had /fixed/ the results took their official tests in the classroom, and when they finished they would receive blank test papers, which they would complete outside of school with the help of notes, textbooks, or friends. Then they would turn the tests in to one of the collaborators, who would then give them to the assistant director or someone designated by him. Then the test would be turned in at the secretary's office. There, either Clara Matilde or Lincoln Brito would replace the tests done in class with the falsified ones.

## Implied Complicity

The voluminous file number 12, opened in case number 4110, details the countless criminal activities carried out by these elements, who passed themselves off as respectable teachers at a medium-level school while cheating, falsifying, or deceiving in exchange for negotiated gifts. These gifts included money and other valuable items (including foreign currency), which they managed to pass from one hand to another thanks to the extreme lack of control and discipline prevailing there and, in my very personal opinion, in some of the homes of the students involved.

The reader may wonder how such goings on could be hidden for so long, and how many students, teachers, or families knew about them, or at least had some clue of what was happening.

I think, however, that the most serious thing is not just the events themselves, but the factors that created the situation which made this crime possible, and the attitude of those who were supposed to monitor, supervise, and enforce the rules in that place, from the Board of Directors and the political grassroots and student organizations, down to the last one of the honest and revolutionary teachers who work there.

It is worth asking whether there was not enough combativeness at /Antonio Guiteras/ to prevent things from going so far. I think that in fact there was not. If we delve into the matter, we find that the members of the Union of Young Communists (UJC) had discussed suspicions, concerns, and even some clues pointing to this activity. They did not forcefully and persistently channel the results of their discussions, however, and although isolated accusations were made, they lacked the clout of the organization as a whole, which could have thrown all its weight behind a denunciation that would have put a stop to this criminal activity much sooner.

And if we keep asking about the other organizations at the school, we cannot help but reach the conclusion that they had a weak attitude and a lack of revolutionary vigilance and overall control.

Drop of Oil . . .

Following the sequence of events, we come to June of 1986, when the situation reached a climax. Everything was going like clockwork. The kids would bring the goods, and the unscrupulous teachers, who had been joined by several more by now, /took care of matters./

At this stage, when final exams were being taken, enforcement was stricter and there were tighter controls. The day of the physics exam, panic spread among the culprits: The racket was threatened by the arrival of an individual who until then had not been a member of the group, and was in a position of some authority at the school. This was the drop of oil, to use the analogy drawn by the prosecutor, that changed the entire system. The man in question was physics teacher Pedro Rodolfo Martinez Silva, who along with fellow physics instructor Jose Antonio Perez Escobar, known as /Pepe Musiquita,/ decided to join the /fixing/ game.

The two agreed to accept /if any student or teacher offered them money to replace the exams taken officially with fake tests./ But this operation had a new twist: The fee would be 50 pesos. The stakes were raised, and the mechanism of the game was altered.

Then it became more difficult to hide the operation, but everyone went along anyway. Pedro Rodolfo, as a member of the grading tribunal, personally replaced several official exams.

### Confrontation

Lincoln Fontanil Sanchez, a UJC member and law student at the University, was one of the first witnesses to testify. It is well known that the oral testimony is crucial, since the confession of the accused is not enough.

Lincoln was vibrant, valiant, and self-critical. When the prosecutor asked him about the students who bought tests, he did not mince words: /They were the worst ones. They did not attend class, and when they took their exams they got excellent grades . . ./

Approximately 60 witnesses (more than half of them students or former students at the school) admitted to having given money, calculators, "pitusas," watches, and other valuable items. The defendants, who the first day had behaved in a generally aloof and even haughty manner, began to fall apart.

One of the most heavily involved defendants, Jesus Ramon Martinez Ramirez, confided to me in an aside during the trial that it was very hard for him to meet his students again, including some who were studying law at the University and had studied with him. He said he understood why Decree-Law 34 was being applied to him. /"Teach, anyone can teach, but not educate. And I have no right to return to the classroom; I cannot educate or train . . ."/

### 70 Percent Times a Bottle of Rum

This fraud took various forms: replacing tests, altering collective efforts with mechanical erasures, or simply allowing the students to consult with each other during the exam. The latter variant was practiced by physics education teacher Carlos Manuel Berros, who found out about his colleagues' activities and proposed to Assistant Director Dennis German Lorenzo that he be allowed to proctor the physics exam. Whatever the two students who had /fixed/ the exam with him gave him, he was to share.

Another defendant, Lincoln Hilario Brito, a literature teacher, was responsible for college placement. He altered the geography and elective grades of a student so that he could get into the university department he wanted.

What Assistant Director Dennis did was scandalous; he fixed a failing grade for one student in the field, who everyone knew had flunked math, in exchange for a bottle of imported beverage. This was just one of many crimes he committed, as he was one of the /brains/ behind the operation.

## Contributing Factors

The list of incidents would go on and on. It was proved that each defendant participated in one or more of the aforementioned crimes, but the one crime they were all equally guilty of was one which may not be included or classified in any penal code, but which is nevertheless the most serious of all: the corruption of our youths. What would have happened if these incidents had continued? How many preuniversity students would have begun higher learning illegally, without the effort and the sacrifice required for any profession? This, in my opinion, is the most sensitive aspect of this affair. For this reason, I believe that the crime committed by these elements should be legally classified as a threat to the future.

In his concluding arguments, the prosecutor brought out certain contributing factors, such as the lack of control and discipline. In his opinion, man can be influenced by his environment if his moral values do not coincide with what he actually does. This man is the culture broth of the place where the contributing factors are found, so crime-inducing conditions can be created.

This undoubtedly influences and shapes individuals' actions. But when a person has integrity and strength of character, nothing can corrupt him. These 11 teachers betrayed the trust that the Revolution had placed in them when it gave them the responsibility of training a new generation. No punishment will be sufficient; even with all the years in jail to which the court has sentenced them, they will not be able to pay their debt to society.

They are not representative of the 147,887 teachers who face this great task, perhaps the most beautiful and responsible of all tasks: the education of the men of tomorrow.

Moreover, the students' families have a great responsibility as well. If parents do not monitor and control what their children are doing, with whom they are associating, where things come from, how their studies are going, then they contribute to their children's corruption.

/"How can we avoid blaming the parents for their part in this?"/ asked a Guiteras student. /"How can I, for example, take 20, 30, 100 pesos from home, or any valuable object, without their noticing?"/

Everyone will examine his own conscience and determine how much he is to blame. Those parents who tolerated this immorality will not be punished. The lack of family control is not punishable by law, but sometimes moral condemnation is much worse than jail itself.

It is the teachers who are to blame, without a shadow of a doubt, and it was they who had to answer to the state for the corruption of these youths between 15 and 17 years of age.

Nevertheless, from the educational point of view, it is unacceptable for a student who has participated in this fraud to be allowed to continue studies to which he was illegally admitted. Therefore, we have learned, in each

proven case, the Education Ministry will adopt the appropriate educational measures.

Justice will deal with those most responsible for this affair, but this trial has undoubtedly served as an example for all those who have been or are being weak, paternalistic, or simply indulgent.

The behavior of the 11 culprits cannot cloud the attitude of the thousands of teachers who have gone to the harshest areas of Nicaragua, Africa, and the remotest areas of our own country, of all those who have contributed in their classrooms, anonymously, day after day, to the formation of a society that is free of all the ills of the past.

#### Punishments

1. Clara Matilde Rodriguez Olive, faculty secretary  
Crime: falsification of tests and illegal foreign currency trafficking  
Sentence: 2 years in jail and 300 quotas of 1 peso each
2. Dennis German Lorenzo Hernandez, assistant faculty director  
Crime: continued falsification of educational evaluation tests  
Sentence: 4 years in jail
3. Jesus Ramon Martinez Ramirez, teacher  
Crime: continued falsification of educational evaluation tests  
Sentence: 4 years in jail
4. Carlos Garcia Rodriguez, teacher  
Crime: continued falsification of educational evaluation tests and illegal foreign currency trafficking  
Sentence: 3 years in jail
5. Lincoln Hilario Brito Alvarez, teacher  
Crime: continued falsification of educational evaluation tests and falsification of identification document  
Sentence: 3 years in jail and a fine of 100 quotas of 1 peso each
6. Pedro Rodolfo Martinez Silva, teacher  
Crime: continued falsification of educational evaluation tests  
Sentence: 3 years in jail
7. Horacio Maximiliano Ramirez Suarez, teacher  
Crime: continued falsification of educational evaluation tests and illegal economic activity  
Sentence: 3 years in jail and a fine of 270 quotas of 1 peso each
8. Jose Antonio Perez Escobar, teacher  
Crime: continued falsification of educational evaluation tests  
Sentence: 4 years in jail

9. Rolando de la Caridad Vera Reyes, teacher  
Crime: continued falsification of educational evaluation tests  
Sentence: 18 months in jail
10. Carlos Manuel Berros Mendoza, teacher  
Crime: falsification of educational evaluation tests  
Sentence: 1 year in jail
11. Eduardo Castano Quintin  
Crime: continuing fraud  
Sentence: 6 months in jail

In each case, there is an additional punishment under Penal Code Section 37, Subparagraphs 1 and 2, of the loss of public rights for a period equal to the jail term. This means that the people involved have no right to active or passive suffrage, or to hold office in political or mass organizations or in the state administration. Another additional punishment is that provided for in Penal Code Section 39, Subparagraphs 1 and 2, prohibiting them from practicing their profession, job or trade for 5 years.

These citizens, however, have already had Decree-Law 34 applied to them, meaning that they are separated from the organization. In other words, they can never practice their profession again, because they do not set a good example as educators.

The political organizations, for their part, expelled Clara Matilde and Dennis German (PCC) and Pedro Rodolfo and Carlos Manuel (UJC) from their ranks.

The defendants have appealed to the Supreme Court, and are awaiting final judgment.

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ECONOMIC REFORM IN CHINA VIEWED AS 'LESSON FOR SOCIALISM'

Havana GRANMA in Spanish 12 Jan 87 p 8

[Article by Juan Marrero]

[Text] It has now been 2 years and 3 months since the beginning of economic reform in China, which has focused on encouraging individual private property to flourish in non-essential productive sectors. That country's press, in its coverage of the recent student demonstrations in at least 12 universities in various cities, maintains that "there are certain people who are currently trying to orient the economic and political reforms in favor of capitalism, and they are using economic reform, for example, to promote the capitalist path."

That was written in the PEOPLE'S DAILY, the organ of the Central Committee of the Communist Party of China, last 6 January. The writer went on to urge opposition to "bourgeois liberalization" that denies socialism and promotes capitalism.

China, whose revolutionary process has undergone convulsive stages, undoubtedly including the Cultural Revolution, has been trying since October 1984 to encourage "a growing number of people to advance in waves toward prosperity," waving the banners of economic reform and modernization, among other issues.

Under these banners, forces have incubated which today openly and publicly praise capitalism. The daily GUANGMING, the voice of Chinese intellectuals, wrote recently that "a certain university vice rector" (Western news agencies identify him as Fang Lizhi, vice rector of the Hefei School of Science and Technology, the cradle of the recent student demonstrations) had stated that he favored the total westernization of China. "This includes," it stated, "the study of the science, technology, culture, politics, and ideology of the West . . . in fact, the study of everything, including political and property systems."

One indication of this attitude is the fact that priority has been given to the training of some 10,000 Chinese students at universities in the United States since the economic reform began. We might also mention the decision that the vast majority of administrative cadres should be exposed to the

experiences of and receive advice from the capitalist West. Or the decision to open 14 port or coastal cities to foreign investment in order to attract Western capital and technology.

These steps, along with the adoption of internal measures such as the proliferation of the free peasant market, the legalization of small-scale individual private property, and the employment of salaried workers in that sector, have also characterized the reform that is underway.

Thus, the PEOPLE'S DAILY recognized in its article last 6 January: "The bourgeois liberalization is poisoning Chinese youth, damaging national stability and unity . . ."

The comments made by the Chinese press, radio, and television reveal a great deal of concern within the Party and the government in Peking with respect to the counterrevolutionary situation that is emerging and that has aroused the enthusiasm of the capitalist West.

The Chinese Party press argues that "a firm stance must be adopted" to oppose the antisocialist demonstrations, and that "the Party must strengthen its control over the ideological, theoretical, literary, and educational fields." It also emphasizes that "the policies of the Party are correct."

In other words, they feel that the path they have chosen is the correct one, and therefore, there will be no need to correct or rectify it.

This is the dilemma that China faces today.

Whatever happens in that age-old country of more than 1 billion inhabitants must serve as a valuable lesson to socialism as well.

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#### AVAILABILITY OF 5-CENTAVO COINS FOR BUS FARE ASSURED

Havana GRANMA in Spanish 7 Jan 87 p 3

[Article by Jose M. Norniella]

[Excerpts] The National Bank of Cuba (BNC) has enough 5-centavo coins to meet the population's additional needs for paying urban transit fares, which now are 10 centavos.

This was reported by Leonardo Moreno, BNC provincial director in Havana, in an interview granted to GRANMA. The request for the interview was prompted by the concern many people have expressed in phone calls to the newspaper to find out what measures had been taken to prepare for this contingency.

In early December, said Moreno, a letter was sent to the president of the People's Government in Havana, notifying him of the bank's decision in the capital to provide more of these coins in the withdrawals made by enterprises, especially those in the retail network, and to retain as many 20- and 40-centavo coins as possible. This measure was designed to facilitate giving change to the public in 5-centavo pieces, which are widely needed to pay for transportation, telephone calls, and other services.

Also in December, the bank in the capital put into circulation 211,000 pesos more in 5-centavo coins than had been circulated in November, a 13-percent increase.

Nevertheless, said Moreno, the main vaults contain more coins than are usually placed in circulation, and this guarantees that the increased demand for this small coin will be met. There are also other reserves in the municipal branches. And the Central Bank's reserves are much larger than those maintained throughout the province. Thus, there should be no concern about the availability of coins, he explained, because there are enough.

He then stated that this reserve is separate from the number of 5-centavo coins normally in circulation.

As for the rate of coin withdrawals, Moreno explained that on 2 and 3 January half of the 5-centavo coins that are normally put in circulation in the province were withdrawn from the bank branches of the capital. On those days,

which were holidays, bank employees had to work to take in the proceeds from retail sales and to supply the coins that were requested.

With regard to the minting of 10-centavo coins, Moreno reported that the BNC has begun contacts with Czechoslovakia, where the mint that makes Cuban coins is located, to find out about prices and study the economic feasibility of including this denomination in our monetary system.

But this is not the only possibility for making it easier to pay urban transit fares. Minting coins is costly, and given our situation, it would not be advisable for the present.

Another way could be to use tickets that would be purchased in the retail commercial network and would be punched upon entering the bus. This solution, which is very common in socialist countries, is being studied at the Provincial Bus Enterprise.

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## HAVANA TRAILING PROVINCES IN HOUSING OWNERSHIP

Havana BOHEMIA in Spanish No. 5 30 Jan 87 pp 28-29

[Article by Susana Tesoro]

[Text] The General Housing Act is the legal document that has had the most repercussions in the Cuban population since 1959. The reasons are that in Cuba we all live under a roof, and if it is not our own, we want it to be because the Revolution has encouraged each family to want to have a home. Moreover, it is making the realization of that dream ever more possible.

Nevertheless, 2 years after the law took effect, there are still those who do not have their ownership deeds.

Between July 1985 and December 1986, 82 percent of onerous usufructuaries (those who have payment books and a contract for the property in their name) had received their deeds. All the provinces had figures higher than 95 percent, except for Santiago and Matanzas with 91 percent, and Havana with 63 percent.

In the capital, which is the farthest behind of all the provinces, most of those who do not have their deeds are people who before the law passed had documents proving that they occupied their homes but had not legalized them.

In Havana, 73,387 onerous usufructuaries have yet to complete their paperwork, and of them 23,150 must pick up their deeds at the banking offices. Of the just over 50,000 remaining people, 20,000 have begun litigation in the local housing offices.

### If Deed Not Collected, Occupant Still Onerous

There are those who are trying to "pull a fast one" by meeting all the requirements, taking their papers to the bank, and turning in their payment books, but not picking up the deed so that they can go without paying rent until someone discovers them. For this reason, the National Housing Institute issued Instruction 8, which provides for the attachment of wages and a 10-percent surcharge on the monthly payment of any citizen who after turning in his documents to the bank does not pick up his deed within 3 months.

Similar action will be taken against onerous usufructuaries who still have the payment book and have missed three monthly payments. The surcharge that is levied against late payers is not taken into account when the total price of the home is amortized.

Although the onerous occupant who already has his deed continues to make monthly payments until he pays off his debt to the bank, and the onerous usufructuary pays a monthly rent, from the legal point of view there is a difference between the two: one owns his property and the other does not. Those who regard the transfer of ownership as a mere formality should bear this in mind.

#### Capital Required Survey

A total of 601,375 deeds have been given to people throughout the country, distributed as follows: 370,536 to onerous usufructuaries, 222,291 to legitimate occupants with no payment obligation, and 8,548 to legitimate occupants with a payment obligation. Because Havana has posed more problems than any other province, it has been the subject of a survey by the Institute of Domestic Demand.

In February 1986 it was determined that 19 percent of the onerous usufructuaries in the country had not begun their paperwork, and that 48 percent, primarily in Santiago de Cuba and Havana, "did not know what to do."

The latest poll, conducted between 15 and 22 November 1986, involved a sampling of 337 homes in nine of the municipalities with the most problems: Plaza, Old Havana, East Havana, Playa, Cerro, Central Havana, Marianao, 10 de Octubre, and Boyeros.

It was concluded that a considerable number of citizens clearly believe in the law, but have given priority to other personal or family matters.

Only 4.4 percent of the onerous usufructuaries in the province have done nothing to effect the transfer of ownership, and if they have tried anything, they have not yet submitted the documents.

Of those who have not begun the process, 49 percent have unfavorable opinions of the law, its dissemination, and the service provided at housing and banking offices. Of this group, 64 percent have their documents and have simply not presented them.

Eleven percent of those polled believe that the law is good, but there are problems such as these: there is no recognition for the years lived in other homes and the payments made there; some documents are difficult to find, and one must take time off from work to look, plus the fact that workplaces do not give leave for such things; or the home has always belonged to the person and now he has to share it with his spouse as co-owner.

## Opinions and Suggestions from Respondents

Regarding the service provided at the municipal housing offices and the People's Savings Bank, those surveyed stated that "there is a lot of red tape" and delays in processing paperwork; it is difficult to adjust to the schedules of these entities; it is necessary to expand the office hours and the staff; for those who must bring witnesses, in each case a specific date and time should be set up; for those who need to verify length of residence or other similar information, the Committees for the Defense of the Revolution (CDR) should be authorized to accept certifications; the person whose name is on the contract should be able to delegate another person to submit documents to the bank; individual assistance should be provided by the Bank and the Housing Institute for those who still do not know what to do; more comprehensive and detailed information should be given; and the residences that are in poor condition when the transfer is made should be repaired by the state.

### Their Opinions, Our Opinions

During the 2 years that this law has been in effect, the old saying "there's many a slip twixt cup and lip" has been confirmed. The people read the text eagerly, and understood its fundamental parts; but then came the problems with the rolls, long lines at the municipal housing offices, uncertain responses, inconsistent information provided at the different levels of the Housing Institute--in short, unexpected problems arose at every turn, destroying projections.

Everything has to be viewed from a broader perspective in the capital, because there are more residents, more houses, and, in recent years, more disorder in the adjudication and occupation of residences. Naturally, there are greater problems there as well.

We believe that the municipal housing offices were created along rather idealistic lines, with smaller skilled staffs than are really needed. Perhaps it was assumed that since now everyone would be a property owner (as if by magic) and the transfers would be done by notary publics, the municipal office would not have much to do.

But in reality, we need more attorneys who are very familiar with the law. The fact that the interpretation of some articles varies from one place to another has been one of the most problematic aspects in the application of this law.

The dual subordination of the municipal offices, in contrast, has influenced these various interpretations. We have shown how the municipal office will deny something that a citizen has been told by provincial authorities or even by the National Housing Institute itself. Some municipalities consider themselves autonomous, and have on occasion allowed illegal occupants to continue occupying a house without any action taken against them. These illegals become legal without anyone explaining how. Moreover, some citizens are "given the runaround" or are misled.

Some of the opinions expressed in the survey do not reflect the real situation, and others are unfair: It is hard to believe there is anyone left who "does not know what to do." As for those who want the state to repair their houses when ownership is transferred: Where would the resources come from? Or do they believe that the state does not repair things for free just on a whim? Anyone who believes this has not read the press and is not familiar with the current economic situation.

Not only that, but if the state repairs a house, the price naturally goes up, and that would not please these complainers either.

If the information provided were uniform, if there were less inefficiency and more streamlined, rapid service, there might not be a single person left without a deed.

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## SHODDY WORKMANSHIP FOUND IN NEW DOCTOR HOUSE-OFFICES

Havana BOHEMIA in Spanish No. 52 26 Dec 86 pp 26-27

[Article by Susana Tesoro]

[Text] A comrade came to me one morning to ask me to do a report on the construction problems that were plaguing many houses for family doctors in the capital. I called him a pessimist and worse; I couldn't imagine that these newly constructed buildings could already be having problems. Nevertheless, he insisted, and persuaded me to visit a few of these new house-offices.

After discovering that there really were leaks in the roofs, faulty water tanks, and shoddy plumbing and wiring that appeared indiscriminately in a group of these beautiful, comfortable new homes, I interviewed Dr Nestor Marimon Torres. Dr Marimon is a member of the Executive Committee of the provincial government of Havana, and is in charge of public health.

He told us that between January and October, 533 house-offices were built in the capital. The remaining 12 buildings do not need these structures because they are designed for other purposes: 5 are production centers, 5 are schools, and 2 are retirement homes.

As the reader may well conclude, 533 homes are not built as easily as people think. This is especially true if we bear in mind that these structures were built primarily by a group of Party nuclei from different worker collectives. Whenever skilled personnel (masons, plumbers, electricians, etc.) were lacking, the Construction Enterprises of the People's Government would take it upon themselves to find advisers.

Everyone was aware of how quickly these buildings were "going up," and in most cases, we were surprised when the finishing touches were put on. The public has the impression that they are beautiful and well-built, and that is true except for a few minor flaws that may be seen in a large project; that is why the builders have to work so hard.

### No Escape from Epidemic

It appears that to some extent, these homes have not escaped the epidemic of shoddy workmanship that has plagued our construction sector in recent years.

And everything is due to a lack of foresight and inspection. These are little details that could have been taken care of before the new graduates occupied their offices.

It might appear that it was the same problem as always: the lack of specialists, the urgency, the goal. However, we know of projects that were well thought out, planned, and executed on schedule, but nevertheless had these same problems. We wonder: Isn't it well known that when prefabricated roofs are put together, waterproofing must be applied to the joints? Isn't it logical--not just technically sound--to test the wiring and plumbing facilities before the building is occupied, and not afterwards? Then why do we leave to chance situations whose results are well known?

The explanation is that sometimes there was no waterproofing available, and since it hadn't rained the houses didn't leak. But when the first rains came, the cracks became apparent. We were also told that they waited to install some plumbing facilities because when the house was occupied they would know whether things worked or not.

We would like to clarify that these construction deficiencies were present in the minority of these house-offices. The interest sparked among the public in this marvelous family medicine plan, however, made the flaws more significant.

Moreover, we believe that projects like this, to which Party members contribute to the utmost as a matter of honor and principle, should be a veritable model. We do not pretend to criticize the work done by those who joined in this task, but we would like to sound an alarm, because the program has not been completed yet: In 1987, 600 2-story dwellings are to be constructed under this same system.

#### Eye on Detail

As the doctors discovered problems upon moving into their homes, they would request that the municipal health offices fix them. A very wise solution was found: The Party nucleus or construction enterprise that built the home in question must be responsible for repairs, and thus they became the "godparents" of the different houses. In this way, they will never be neglected.

The godparents have already responded effectively to the situation, but we must make it clear that these are repairs related to the functioning of the home or office. This is not a matter of asking for someone to come in and put hooks on the walls for hanging pictures, or to install clotheslines in the yards.

Now all the dwellings are being repaired, but we are issuing a warning so that the same thing will not happen with the 600 units that will be built during the coming year.

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## PRODUCE MARKET OFFICIALS SANCTIONED FOR NEGLIGENCE

Havana GRANMA in Spanish 31 Dec 86 p 3

[Text] Santiago de Cuba (AIN)—Five officials of the Santiago select fruit establishment and another of the Provincial Warehousing Enterprise were given punishments yesterday for irresponsibility and negligence in the organization of the receipt of agricultural products.

The penalties are administrative measures taken by the local delegation of the Agriculture Ministry on the grounds that these officials acted in an indolent and bureaucratic manner when they received a truckload of bananas for public consumption.

The vehicle arrived last Saturday in Santiago de Cuba, having brought from Granma a load of 402 invoiced quintals of top-quality bananas for the parallel market.

When the load was received, it was discovered that the produce was not of the stipulated quality, and therefore it should have been sent to the regular market, following the standard procedure in such cases.

The orders given and actions taken were not the correct ones, however, and the vehicle thus remained with its load throughout Saturday and Sunday. The situation remained the same on Monday, when the vehicle was sent to several warehouses in Santiago de Cuba and San Luis. It was not unloaded there, either.

Finally, thanks to the intervention of higher agencies, at noon yesterday the cargo was sent for consumption by state entities.

As a consequence, between 12 and 20 percent of the bananas were totally damaged, with the consequent economic losses. In addition, the people were deprived of a product that was appropriate for consumption.

This also damaged the economy because fuel was used unnecessarily, and the vehicle and the driver remained there for a long time, rendering this means of transportation useless during that period.

The officials were ordered to pay for the spoiled produce and the fuel, and also suffered other disciplinary penalties.

Also penalized were Pedro Ulloa and Manuel Rojas of this establishment, and Juan Montero, chief of the delivery department of the Provincial Warehousing Enterprise.

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RIZO, JOURNALISTS CONFRONT IRRESPONSIBILITY IN SUGAR COMPLEX

Havana GRANMA in Spanish 9 Jan 87 p 1

[Article by Juan Varela Perez: "An Intolerable Atrocity in the Sugar Sector"]

[Text] Esmeralda, Camaguey—This year no less than 30,000 caballerias is to be planted in sugarcane. One of the basic reasons for this super campaign--spring and cold planting--is to clean up the fields. In other words, to create the conditions for obtaining the agricultural yields set forth in the economic and social guidelines for the 5-year period that were approved by the 3rd Party Congress.

The new planting requires, as never before, high technical standards and stricter enforcement of regulations.

The objective of boosting the average number of arrobas yielded per caballeria and of strengthening the rootstalks will not be attained if we forget or neglect quality, or if we give in to inefficiency.

The sad thing is, there are those who repeat whatever they hear, who pile up books, pamphlets, and all kinds of materials in their offices with instructions, recommendations, and provisions, but when it comes time to carry out the task, they forget all or most of it.

We can cite a nearby example that took place recently, a very negative, almost absurd example that demonstrates the above assertion and shows how established regulations can be violated so incredibly.

Last Wednesday we accompanied Julian Rizo, alternate member of the Politburo and secretary of the Party, on a working tour of the northern part of this province. This is a sugarcane area that was among those damaged most severely by the drought. The loss of the millable raw material is reflected directly at the Brasil mill, which saw an estimated drop of some 30 million arrobas in its volume between June and December of last year.

And it was at this very mill, which has been hit so hard and which will begin operations at the end of January, where we witnessed an atrocity: On a beautiful plot of land measuring about 3 1/2 caballerias, along the highway, near downtown Esmeralda, in plain view, they were using seeds that were highly

infested with borers. A quick sampling revealed that of every two irrigated sections in the rows, one was completely diseased, useless.

Any sugarcane planter with any amount of experience, young or old, knows that good seed, carefully selected and handled, is the key, the essential element in ensuring the quality of planting that is written and talked about so much. If these requirements are not met, the planting gets off to a bad start, and the result will be the opposite of what is sought. This is how fields yield poor germination, a low population, and short-lived rootstalks.

The term "atrocious" is justified, and can also be explained. This was not, moreover, an ordinary planting. A future seed bank was being promoted, and this effort requires priority attention, almost painstaking care, every step of the way.

When Rizo demanded an explanation, Jose Rodriguez, assistant director of agriculture at the Brasil mill, merely gave what many call a "pat response," an anachronistic, obsolete, out-of-touch response. He said: "We will take steps to ensure that this will not be repeated; we regret it." Then he added, with exasperating calmness: "This proves that we cannot leave anything to chance; we cannot be over-confident."

Leave this to chance?

Is there anything more important at this time than the planting of the 31 caballerias, which is the monthly plan for Brasil?

And what about the rest of the technical cadres, of whom there are many? What are they doing? How could it be possible that none of them checked, examined, inspected the quality of the seeds that were to be planted in this area that was supposed to be a seed bank?

There is no justification for this at all if we bear in mind that the harvest has not yet begun at that mill, and that 100 percent of the cutting is done mechanically.

Raul Manzano, the director, had nothing new to say. He simply confirmed that "steps will be taken."

Rizo pointed out that when it comes to rectification, in sugarcane agriculture one must begin with the seeds, and here, he said, that mandate has not been carried out.

The assistant director acknowledged that the borer infestation was serious, that it had spread to all the fields of the mill. So why weren't drastic measures taken at least to insure that the seeds intended for the new plantings and banks were healthy and borer-free?

In view of this situation, prompt action must be taken; responsibilities must be determined and an effort must be made to prevent this disease, this lack of control or strictness, from spreading to the 721 caballerias that the enterprise is to plant this year.

Mill directors, no matter how wrapped up and busy they are in the development of the harvest, must personally oversee the execution of a task that will guarantee the future of the cane and the sugar. To rely on stale reports that are sometimes lacking in veracity, as is the case now, can be dangerous.

What happened at Brasil serves as a warning, just as we enter the first month of the great campaign. Planting this way is clearly irresponsible, especially on the part of the leaders but also on the part of those who use seed knowing it is diseased, in bad condition.

These incidents are intolerable, but they do happen. Preventing a repetition of them is everybody's business.

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4000 METRIC TONS OF MOLASSES SPILLED INTO STREETS, BAY

Havana GRANMA in Spanish 7 Jan 87 p 3

[Text] Manati, Las Tunas (AIN)--About 4,000 metric tons of final molasses was lost yesterday at the establishment of the Sugar Operating Enterprise in the port of this municipality, when a plate welded onto a tank came loose, spilling the sugar byproduct that had been stored in it.

The molasses, valued at more than 107,000 pesos, comes from the Argelia Libre sugar mill, which began the current harvest last 17 December, reported Jose Ramon Hernandez, director of the establishment.

In addition to the monetary damages, most of the substance mixed with waters in the bay here, which could damage the marine fauna, primarily oyster beds.

Local residents, who spent yesterday cleaning up the streets involved, were first alerted by a loud noise.

Although several streets of the small town were flooded with molasses, the incident would have caused even greater damage, including the loss of human life, if one of the weldings had given way near the houses located at the port.

The molasses produced by Argelia Libre is sent to distilleries in Matanzas and at the Antonio Guiteras plant in Las Tunas. Part of it is also supplied to the livestock sector for cattle feed.

Of the three tanks at the establishment, the one that was damaged was in the best condition, so the collective of workers and management must take the necessary steps to prevent another similar incident.

The last time the enormous tank was repaired was in 1982, but the plate that came loose was welded 14 years ago.

The Interior and Sugar Ministries formed a commission to investigate the causes of the accident.

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1986 MINBAS FIGURES: ELECTRICITY USE, OIL EXTRACTION UP

Havana GRANMA in Spanish 3 Jan 87 p 1

[Article by Joaquin Oramas]

[Text] During the year that just concluded, electricity generation exceeded the planned total by 8 percent, which means that oil consumption exceeded the quota by more than 100,000 tons.

According to information provided by the Ministry of Basic Industry, (MINBAS), the 1986 generation plan called for 10.148 million megawatt-hours, and more than 11.4 million MW-h was actually used.

According to preliminary estimates, electricity consumption by the residential sector grew by 7.3 percent, while that of the state sector rose by 7.6 percent. Although this growth rate is considerable for both sectors, the impact is much greater in the state economy, since that sector uses approximately 70 percent of the electricity produced by the National Power system.

This excessive generation and consumption of basic energy hurt the country, because production has not grown apace.

The news was revealed as the Ministry of Basic Industry released the report on its economic performance last year. This adverse situation cannot be blamed on this agency, because the generation of electricity depends on demand by consumers, both state and residential. These consumers increased their use of electricity in spite of administrative measures and the campaign to promote the conservation and rational use of energy resources.

Independently of this situation within a sphere of its economic universe, the Ministry of Basic Industry obtained encouraging results in 1986. Last 28 December it fulfilled its production plan in values for that period, with a total of 1,936,700,000 pesos. The growth rate over 1985 is estimated at 3 percent.

Among the accomplishments of the period were the electrification of more than 100,000 residences in both urban and rural areas, benefiting approximately 500,000 people; the fulfillment of the plans for crude oil flow in the

petroleum refineries; and increases in the production of kerosene, gasoline, and other petroleum coproducts.

In addition, the extraction of national crude oil totaled 933,800 tons, with a growth rate of 7.6 percent. An equally favorable situation is seen in the drilling of oil wells, the production of sulfur and nickel-plus-cobalt sinter oxide, refractory chromium, industrial gases, and chambers, among other categories.

The principal shortfalls in supplies are seen in the production of fertilizers and paper. The Rayonitro enterprises and the mixers in Havana and Felton failed to attain the projected volumes of fertilizer. In the paper sector, Tecnica Cubana in Cardenas and the Panchito Gomez Toro plant in Jatibonico, both paper companies located in the capital, did not meet their quotas.

These shortfalls were due to organizational problems and technological indiscipline, among other factors. The corresponding measures are being taken to solve them, reports MINBAS.

Among Basic Industry's plans for the coming year are the extraction of 1 million tons of national crude oil, the beginning of production on the new oil refining line, and the operation of the used oil generating plant at the Hermanos Diaz refinery in Santiago de Cuba.

In addition, it hopes to begin production on the first line of the Punta Gorda nickel plant in Moa, and the oxygen, nitrogen, and argon plants in Santiago de Cuba. It also plans to start up the acetylene plants in Sancti Spiritus, Las Tunas, and Cienfuegos, Unit 1 at the East Havana thermoelectric plant, and the new thermoelectric plant in Matanzas.

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## BRIEFS

INCREASE IN GRAPEFRUIT EXPORTS--Nueva Gerona (AIN)--Grapefruit exports from the Isle of Youth totaled 100,000 tons, which fulfilled the commitment established for this year and exceeded the program called for in the competition by more than 18,800 tons. Jose Ramon Roque, outstanding worker at the Andre Voisin bottling plant, delivered the box that broke the grapefruit export record to Miguel Rodriguez, alternate member of the Central Committee and second secretary of the Party in this territory. At that factory, which processed 50 percent of the grapefruit earmarked for export, the party official emphasized that productive responses like this are what is needed as the country undergoes this process. In congratulating all the collectives, Rodriguez stressed that the harvest must be greater and more efficient next year, and urged them to begin their preparations with quality. Despite the late beginning of the harvest, due to the drought and the immaturity of the fruit, some 4,000 tons of grapefruit was sent to the hard currency market, and some 94,000 tons to the socialist bloc. In both cases, there was an 8-percent increase. According to statistical data, about 80 ships were loaded in the port of Nueva Gerona, 10 more than in 1985. There was a surplus of more than 100,000 pesos due to prompt shipment, thanks to the efficiency of the port brigades and the smooth operation of the chain. [Text] [Havana GRANMA in Spanish 27 Dec 86 p 6] 8926

MEXICAN BISHOP DECORATED--Mexico City, 9 January (PL)--Msgr Sergio Mendez Arceo, 7th bishop of the diocese of Cuernavaca, today received the Order of Solidarity, granted by the Cuban Council of State, along with a salute from the president of that country, Fidel Castro. The insignia was pinned on him by the Cuban ambassador to Mexico, Jose Agustin Fernandez de Cossio, in the presence of Jose Felipe Carneado, member of the Central Committee of the Cuban Communist Party. Carneado arrived especially for the ceremony. In a brief speech, Fernandez de Cossio declared that the distinction was given to him in recognition of the extraordinary merit he had earned during years of responsible solidarity with Cuba, and constant outstanding activity for peace and against all forms of oppression and social injustice. The tribute to his work in solidarity with Cuba is given for the efforts he has made as president of the Oscar Arnulfo Romero International Secretariat of Solidarity, with other nations of this region. [Excerpts] [Havana GRANMA in Spanish 10 Jan 87 p 1] 8926

YOUTH NEWSPAPER REDESIGNED--Beginning tomorrow, the daily JUVENTUD REBELDE will be issued in a tabloid format, printed by offset printing. Along with the change in format, which is more convenient for the reader, its workers also intend to provide more variety and a better presentation of contents. GRANMA hails the efforts of this brother collective to make the newspaper of Cuban youth a daily work of increasing quality. [Text] [Havana GRANMA in Spanish 10 Jan 87 p 1] 8926

APPARENT JEHOVAH'S WITNESS ARRESTED--Santa Clara--Citizen Pedro Luis Horta, 46, residing at 29 Santa Teresa St between 1st and 2nd Sts in this city, was taken by National Revolutionary Police to the appropriate courts on charges of illegal economic activity, hoarding, and secret printing. According to a story published in the local morning paper VANGUARDIA yesterday, Horta Curbelo was engaged in the illegal sale of 90-proof alcohol and coffee beans, and had set up a shop in his home for the manufacture and repair of mattresses. In addition, he printed handwritten and mimeographed texts in his home for the outlawed Jehova's Witness sect. Approximately 25 gallons of alcohol for industrial use was seized from the home of this citizen. He would transfer the alcohol to bottles which he sold for 12 pesos each, and to smaller containers which he sold for a lower price. In addition, police seized a half-bag of coffee, 350 bed springs, 1,000 mattress springs, 7 sacks of blanketing, 17 mattress covers, 12 cloth swatches for repairing them, 350 meters of faille tape, a bag of detergent, and tools and utensils used for the illegal activities he was engaged in. They also found 5,989 pesos in cash. [Text] [Havana GRANMA in Spanish 31 Dec 86 p 3] 8926

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FASH CONGRESS CRITICIZES AZCONA GOVERNMENT

San Pedro Sula LA PRENSA in Spanish 6 Feb 87 p 13

[Article by Faustino Ordonez Baca]

[Text] Tegucigalpa--The government of Jose Azcona Hoyo is going to fail because it does not follow a set policy in solving our main problems," the labor and farm leaders of the country warned yesterday, accusing the government of "being unable" even to solve the scourge of unemployment.

These views were expressed at the opening session of the 12th Regular Congress of the Authentic Trade Union Federation of Honduras (FASH), with the participation of representatives of labor, farm and business organizations, the Ministry of Labor and the Honduran Social Security Institute.

The problems of agrarian reform, housing, health and unemployment were analyzed by trade union and farm leaders at the 3-day congress, which will also celebrate the 25th anniversary of the trade union organization which numbers some 50,000 members.

The secretary general of the UNC [National Union of Peasants], Victor Inocencio Peralta, in speaking of the agrarian problem, said that "the Honduran peasant is going through the most dramatic times in history, with the delay and pigeonholing of agrarian reform, especially by civilian governments."

Marco Tulio Cruz, president of FASH, said that the government must be required to adopt a policy enabling every worker and the poorest classes to have housing. and that regarding unemployment, "absolutely nothing has been done to solve this problem."

Mayor Rodimiro Zelaya must not continue to harass vendors. "They must not be kicked out as if they were thieves," the president of the labor organization complained.

"For the labor and peasant movement, the president is sitting there in his mansion, forgetting that these people elected him," the labor leader warned in commenting on the politicians' promises in 1985.

"It is one thing for us to support democracy, but that does not mean that we are stupid. We know how to fight and we are going to prove it. I hope that this congress will put out positive agreements in order to require the government to comply with this country's social development and involve us in the execution, management and supervision of development plans."

Azcona Stuck

"It is sad that after a year of government, this country is stuck in all areas of its policies, adding that "there is no political determination to carry out an agrarian reform. The hospitals are like white elephants because there is no medicine. No policy on education has been articulated and there is no well-defined foreign policy in this delicate field."

He accused Azcona Hoyo of opposing an offer recently made by an American company that is willing to take over 50,000 Hondurans to the United States to work.

The situation was immediately clarified by Minister of Labor Adalberto Discua, who said that "the project is moving ahead," that the necessary discussions are underway with the American Embassy because "we do not want to be guilty of the ambition of some sectors that want to take advantage of the situation."

CAPTIONS

1. p 13 Officials Felicito Avila, Oscar Escalante, Marco Tilio Cruz, Minister of Labor Adalberto Discua, Gonzalo Rodriguez Soto, director of the Honduran Social Security Institute, and engineer Jesus Simon, at the speakers' table at the opening session of the FASH Congress (photo by Daniel Toledo).

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CALLEJAS SPEAKS AT PL CONVENTION

Tegucigalpa LA TRIBUNA in Spanish 9 Feb 87 pp 6-7

[Article by Jorge Talavera Sosa]

[Excerpts] A virulent attack on the system of government of the Liberal Party (PL) was launched by the chairman of the Central Committee of the National Party (PN), Rafael Leonardo Callejas, in a fiery speech made Saturday night in San Pedro Sula at that political party's regular convention.

Following a series of reflections on the social, political and legal phenomenon surrounding the process that came to a close on 24 November 1985, with Jose Azcona Hoyo emerging triumphant from the "rough election process," Callejas reviewed the whole range of national events and the nation's administrative mystique.

He first drew attention to the convulsive situation in Central America, "which should not be analyzed simplistically." He said there was no foreign policy or rather, that "the one they are trying to follow is erroneous and subject to several factors because it is in the sphere of influence of one of the two world superpowers."

"It is therefore easy to understand that the foreign policy of a country such as Honduras cannot be conducted in a vacuum or kept in the air," he stated.

Honduras must act in accordance with international law and particularly, the principles that America has incorporated into it, he said, defending itself from the antidemocratic infiltration that threatens to undermine our institutions and using the poverty and ignorance afflicting most of our people.

He said that in exercising its sovereignty, the country can and must form alliances to compensate for its economic weakness and the modesty of its military capacity.

The National Party deems it essential to organize a bipartisan policy (PL-PN) that is coherent and realistic and whose goals are defense of national interests, the nation's security and consolidation of its democratic institutions.

Callejas called the economic policy the Liberal Administration has followed since 1981 a negative one, for it has concentrated its activity on what is commonly called the "policy of economic stabilization.

This in essence "is nothing more than a disguised way of forcing the people to suffer even more intensely the already overwhelming conditions of poverty and underdevelopment in which most of our people are wallowing," he said.

"This policy is nothing more than a reflection of the Liberal regime's inability to conceive constructive ideas for creating new jobs and reviving the economy," he added.

According to Callejas, the economic situation has worsened in the past 5 years, when unemployment has reached the highest levels in history, per capita income is at the 1972 level, private investments are almost totally paralyzed and public investments halted.

For the leader of nationalism, the only economic merit the Liberal regime can claim is that of having managed to maintain parity of the lempira and keep inflation within reasonable limits, thanks to Central Bank officials who have survived the attacks of political sectarianism "rather than enjoy any coherent plan of the Liberal Administration."

"The lack of coherence stemming from improvisation, the absence of any defined policy of economic revival or of constructive measures from economic officials and in general, the lack of adequate preparation for governing: These have been the outstanding features of Liberal governments," he said.

If the economy has grown 3 percent in the past year, he noted, this is purely due to the reflection of governmental inertia rather than the result of any governmental plan.

"One can almost guarantee that even without the Cabinet ministers and without the directors and managers of the autonomous institutions, the economy would have followed the same speed as the result of a plan of action and routine programs already underway since time immemorial in government," he maintained.

Callejas said that the National Party is prepared to govern the country in the midst of the general crisis "that has stricken Honduras, although it recognizes that the 3 years left may be insufficient to draw up new plans of government and new measures required in order to break the vicious cycle of stagnation which the economic policies of Liberal governments have brought us."

He indicated that his party is deeply concerned over the situation of deterioration of the national economy, as a result of which it is ready to adopt whatever action is needed in the legislative field, so as to help solve the most urgent problems of the people and lay the legal and administrative foundations so that once in power, the minimum bases will exist to carry out the plan of government.

Callejas announced that the PN is looking for a projection that will enable it to take its place with the democratic political parties of the world.

In that sense, he said, he has held talks with officials from the International Democratic Union and in September will go to Berlin to dialogue with world leaders of the stature of Jacques Chirac, prime minister of France, Tanaka, Japan, Margaret Thatcher, England, Helmut Kool, the FRG, and others of equal rank in Europe, Asia, Africa and America.

He also announced the creation of a political foundation whose purpose it would be to train the organizational structure of the party at all levels.

Callejas said he was not willing to dialogue with those who stifle freedoms, those who are guilty of repression against men in order to stamp out their ideas or those who, based on the power of instruments of death and blind organizations, sow anarchy and reduce man's potential, turning him into a slave.

He said that in 1989, the National Party will win the elections with a million votes and that in the meantime, the authorities will continue to censure militants.

The regular convention came to a close yesterday after approving the new statutes of the National Party, suited to the reformed Election Law.

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MEXICO

CTM LEADERS COMPLAIN OF SHARE IN POLITICAL POSTS HELD

Mexico City EXCELSIOR in Spanish 18 Jan 87 pp 1-A, 7-A, 23-A

[Article by Carlos A. Medina]

[Text] The leaders of the Confederation of Mexican Workers (CTM) severely criticized the Institutional Revolutionary Party (PRI), arguing that despite its numerical and political strength and its party activism which is "above all suspicion," it has excluded them from gubernatorial positions, seats in the Senate, the Chamber of Deputies and state congresses, and municipal presidencies. Moreover, they alleged, posts in the public administration are distributed among acquaintances, close friends, and members of the PRI leaders' own organizations, without taking into consideration "our brilliant professionals and politicians."

The dissatisfaction of the unconditional leaders of Fidel Velazquez was made public yesterday during the opening ceremonies of the 3rd National Meeting of Popular Election Officials and the 1st National Meeting of Worker-Political Committees of the CTM. Previously, national PRI leader Jorge de la Vega Dominguez had declared the meeting open at the CTM Fernando Amilpa Auditorium.

The leaders of this labor federation do not believe it is enough for the CTM to have three governorships (Abelardo Carrillo Zavala of Campeche, Jose Ramirez Gamero of Durango, and Emilio M. Gonzalez Parra, who is about to complete his term in Nayarit), 55 federal deputy seats, about 65 local legislative seats, more than 200 municipal presidents, and some 450 syndics and aldermen throughout the country. In addition, 13 national senators represent the CTM.

Several speakers at the meeting indicated that thanks to decisive support both at the polls and in daily activities, CTM members are a mainstay of the Mexican political system and are responsible for the PRI's electoral victories.

Moreover, through the Industrial Union of Graphic Arts Workers, it was noted that only one member of the CTM is on the PRI National Executive Committee, the Workers Action Secretariat, while "we are the ones who fight to keep PRI in power." For this reason, they demanded higher positions on that executive committee "so that our presence and our strength can be made known."

The Federation of Young Worker Organizations, represented by its leader Anibal Pacheco Lopez, criticized the PRI youth sector for failing to take into account "the young people of the workers sector, who out of conviction and responsibility are active members of our party." He called for the intervention "of our guiding light, Fidel Velazquez, to demand that we receive more consideration."

The local deputy for Jalisco, Aurelio Mendoza Rivas, stated that the "members of the organized workers movement are not second- or third-class citizens, so we demand more important political positions. For us," he said, "there is no moral renovation, because when a popularly elected official from the workers sector finishes his term, he leaves with his head held high. He is not corruptible. He works for the good of the majority, and we raise on high the name of the CTM."

This same politician contended that the popularly elected offices are not distributed equitably among the sectors, and that the CTM (the most important labor organization in Latin America) does not have a number of positions commensurate with its stature. "We are angered to see how jobs are distributed among acquaintances, close friends, or members of their own organizations."

Furthermore, he said, "ad hoc politicians come and go, and we are the ones left with the rank and file, to defend our government and our party. That is why we, the true activists of the PRI, should be given the largest share of political offices."

Amid applause and ovations, the popularly elected officials supported the criticism levied by the CTM leaders. Fidel Velazquez, meanwhile, merely observed; he did not make the slightest comment. Moreover, when he said that anyone who wanted to speak could take the floor, he stated, "You are free to make your comments for the good of the CTM and the workers."

All of the speakers, who were not on the official program of the opening ceremonies, were given a time limit of 10 minutes for their speeches. In general, the common thread of their remarks was: more political positions for the CTM.

Victor Deschamps, municipal president of Salamanca, Guanajuato, argued that there is just one CTM mayor in his region, himself, and that the PRI gives more positions to other sectors (peasant and popular) without taking into account the presence and strength of the CTM working class.

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CONAMUP ORGANIZATION, PLANNED ACTIVITIES DISCUSSED

Mexico City EL DIA ('METROPOLI' supplement) in Spanish 2 Feb 87 pp 8-9

[Article by Ricardo Hernandez S.; passages enclosed in slantlines printed in boldface; for related report, see JPRS LATIN AMERICA REPORT of 9 Sep 85 (JPRS-LAM-85-076), pp 88-89]

[Text] /The Popular Urban Movement National Coordinating Board (CONAMUP) is a popular organization that is taking shape as an alternative in the popular urban movement. During this stage, which is being called a period of gathering strength, it is exhibiting strict adherence to its strategic principles, political and ideological independence, and tactical maneuvering ability. Seven years after its birth, the Coordinating Board continues to develop, remaining in a position of strategic advancement which projects it, say its activists, toward the construction of revolutionary popular power./

/On this occasion,/ "Origen," the chronicle of the other city, /has published a text by Ricardo Hernandez S., member of the Popular Union of Lomas de Santa Cruz and of the CONAMUP Press Committee. It is part of a book he wrote, which will soon be published under the title "CONAMUP: Its History 1980-1986" by the Equipo Pueblo publishing house./

1. /Political Projection/

a) /Ongoing Popular Struggle/. An initial important aspect of CONAMUP is the kind of double tactic it applies in confronting the state. On the one hand, there is mobilization and daily, ongoing denunciations, obtaining small and partial victories over various enemies. One might call this a /tactic of diversified harassment./ On the other hand, there is the promotion of National Struggle Days in one or more sectors at a time, in which overall political criticism of the state is emphasized. This tactic is pursued to meet one of CONAMUP's key objectives: to build solid mass organizations of autonomous tendencies, based on meeting the concrete demands of the people and promoting general denunciations and protests; and to spread the organization further, consolidating the political, organizational, and ideological instruments of the popular classes.

With regard to demands, the CONAMUP organizations have raised practically all those that have proven to unite the people, trying to give them a class

imprimatur. One document that provides evidence of this is the CONAMUP /Program of Struggle./

b) /Democratic Struggle/. Within CONAMUP, various organizations have raised political demands seeking to make favorable changes in the conditions of struggle, and also to broaden democratic freedoms. The criterion set forth during the /Land, Housing, and Democracy Forum/ has also been observed, in the sense of "struggling for certain democratic spaces where the hegemony of the popular organizations and their massive support so warrant, for the purpose of neutralizing enemies more than trying to influence the course of the state control apparatuses, always resisting the dynamic the state tries to impose." With this in mind, organizations such as the /Emiliano Zapata Popular Revolutionary Union/ include among their demands municipal democratization; full democratization for the Federal District; the creation of a federative entity with its own executive, legislative, and judicial powers; and the direct election of officials at all levels.

c) /Dissemination/. CONAMUP is also progressing toward the configuration of a space in public opinion and the mass media. /To the extent that the construction of solid mass organizations with real strength is considered essential, the matter of wide dissemination has not been dealt with extensively enough./ Now, however, CONAMUP is taking steps to make its struggle widely known, and to gain the attention of public opinion. The example of the publicity campaign resulting from the increase in transportation fares in July 1986 shows that CONAMUP can generate currents of opinion with respect to the city as such, without at all neglecting the direct organization of the masses.

d) /Plan of Action/. In the early years, the organizations of the Urban Popular Movement (MUP) were basically on the defensive, reacting after the fact to state initiatives and blows. Now, however, the struggle is planned in a way that enables the organization to better prepare its forces for mobilization, combining the struggle against the state with political debate at meetings and forums. In 1987, for example, the plan of action includes more than 50 dates of work just as CONAMUP, and calls for actions up to 15 months in advance. One of these is the Women's Conference, which will take place in November of this year.

## 2. /United Projection/

a) /National, Representative, and Democratic Alternative. CONAMUP currently represents nearly 80 organizations of the MUP, in more than 15 states of the republic. Two-thirds of these organizations are influenced by leftist political party currents, while the other third are independent organizations of "colonia" [urban community] residents./ This gives the Coordinating Board a significant degree of representativeness in the popular movement. Within the organization, efforts are being made to consolidate its democratic life, seeking agreements by consensus and different channels for the necessary criticism and self-criticism.

b) /Processes of Unification and Extension/. Within the Coordinating Board, some colonias, thanks to their political and ideological similarity, /are

advancing toward the formation of regional popular organizations with a single leadership/ to help consolidate CONAMUP in a more qualitative sense. Such is the case of the /Emiliano Zapata Popular Revolutionary Union / (UPRFZ), which was formally founded on 1 February 1987 by the following organizations: the CANANEA Applicants Movement, Colonia [urban community] Palmitas, the Union of Residents of Colonia Transito, the Union of Emiliano Zapata Residents (UVEZ), the Union of Colonia Residents of Xalpa, the Union of Colonia Residents of Santa Cruz, the Independent Popular Front of Nezahualcoyotl (FPIN), San Mateo, the Coordinating Board of the Colonia Residents of Felipe Angeles, the Francisco Villa Camp, the Union of Colonia Residents of Primera Victoria, the Coordinating Board of Oriente Residents, the Northern Barrio, Chiconautla, GRES-Palo Alto and the commune.

Other organizations are carrying out these initiatives, for example the promotion of the organization /People United/ in the state of Mexico. In 1986 two organizations of homeless people underwent a unification process, out of which came the /Nueva Tenochtitlan Popular Union./ The strengthening of this union will have positive repercussions on the development of the MUP, since it rationalizes the efforts of activists, permits the centralization of activities, and gives greater attention to new colonias and organizations that move closer to the MUP.

c) /Intersectorial Relations/. There is one path that has been taken in the solidarity of the masses with the masses and has brought the teachers of the National Coordinating Board of Education Workers (CNTE) closer to the peasants of the National Coordinating Board for the Ayala Plan (CNPA), and various workers groups closer to the colonia residents of CONAMUP. /This has made possible the celebration of joint Struggle Days involving several social sectors, mutually supporting each other in the mobilization and in negotiations with the state./ These permanent bonds are an immediate response to the popular organizations' needs for support and solidarity, but they are also laying the political and ideological groundwork for reinforcing the popular worker-peasant strategic alliance.

d) /Broad Fronts. CONAMUP will continue to be an indispensable element in the formation of united fronts in the popular movement of Mexico./ Moreover, its territorial presence, its capacity for action, and its very experience in managing the policy of broad unity enable the MUP as well to bring together these fronts. To confront the state in 1987 and 1988, CONAMUP is calling for the revitalization of a National Front of the Masses; and in the Valley of Mexico, it intends to present to the people, to the state, and to the international popular movement a united Mexican popular urban movement in a broad metropolitan front.

### 3. /Assertive Projection/

a) /Multiplication of Demands/. CONAMUP is becoming stronger horizontally, constantly broadening the scope of its demands. It is building specific organizations on the basis of each of these demands, and it seeks to satisfy them totally or partially, always maintaining a bridge between these specific demands and the more general political and ideological demands. /As is known, the key to the growth of CONAMUP in the last 3 years has been the development

of new fronts of struggle./ Therefore, the trend for the coming years will be for these new fronts to consolidate, and for other ones to emerge. These fronts have proven to be a concrete means of extending the MUP.

b) /Interlocutor/. In many cases the state has regarded CONAMUP as a primary interlocutor and the direct representative of the residents of the poor colonias. Not because it wanted to, of course, but because of the pressure exerted on it by the masses. /Faced with the maneuvering of the Institutional Revolutionary Party (PRI) and the complicity of the government institutions, CONAMUP has nonetheless managed to keep direct channels of negotiation open with the National Company for Basic Commoditys (CONASUPO), the CONASUPO Distributing Agency (DICONSA), CONASUPO Processed Milk (LICONSA), the Secretariat of Commerce and Industrial Development (SECOFIN), the System for Complete Family Development (DIF), and the Secretariat of the Interior, among others./ With the exception of some of these institutions, which are not open to dealing with CONAMUP, the government recognizes that the Coordinating Board is a social force that must be reckoned with. And although this does not mean that the demands will be met, at least it is a factor that serves to keep the organization going among the colonia residents.

c) /National Centralization. It is possible that CONAMUP will move in the next few years toward the centralization of the struggle for economic demands at the national level./ Demands for public services, for example, often depend not on a central federal institution, but on each state, municipality, or delegation, as the case may be. However, the demands that revolve around electricity, supplies, or urban development and housing, and the objective declared in Mazatlan (November 1986) of holding joint National Struggle Days on the basis of these demands, make it clear that this trend can bear fruit. CONAMUP can thus attract other organizations on the provincial level.

#### 4. /Ideological Projection/

a) /Women. The women of CONAMUP are attending an ongoing school of political-ideological training in their daily work./ They are coping with the problems of the struggle and of society in an integral manner. They question not only the exploitation, but also the oppression that takes place within the family itself. The promotion of workshops on child rearing, the days of denunciation and feminist mobilization, their growing role in the leadership of specific struggle processes, and the theoretical clarification they are acquiring of the /feminism of the masses/ are details that show the ideological progress of the women who belong to the popular movement.

b) /The Cultural Front/. The political and organic consolidation of several of the CONAMUP organizations is making it possible to create an ideological front whose purpose is to build an alternative popular culture. In Durango and in the Valley of Mexico, there are outstanding examples: festivals, music, theater, poetry, publications, graphics, audiovisuals, cassettes, traditional celebrations which are treated differently by the predominant society (10 May, 20 November, Children's Day, Posadas, 16 September, etc.), cultural organizations, women's workshops, honor and justice commissions, the organization of children, etc. Here hundreds of expressions are generated of

an alternative vision of society which is being built little by little, alongside the daily struggle and organization.

#### 5. /Self-Sufficiency Projection/

a) /Popular Supply/. In the MUP a new culture is being established with new forms of autonomous popular relations and organization. One of the networks that constitute the foundation of these relations is that which is emerging from the problems of supply, the Rural-Urban Cooperative and the popular stores. /The goal is to achieve the self-financing of these entities, to consolidate the network for the exchange and distribution of products, without intermediaries, between the countryside and the city,/ and to bring down the costs of basic goods. In some places, such as Durango, the organization of popular dining halls is already being proposed. Once the road is open, it is very possible that in the next few years these objectives will be met fully.

b) /Alternative City./ This self-sufficiency is also evident in health, nutrition, herbal medicine, community employment, education, and production projects. CONAMUP has had experience in all of them: Popular Health Centers, nutrition workshops, popular schools at all levels, wall-building factories, etc. /All are part of the plan to build popular power./ The above is complemented by the experiences in urban planning, in the struggle to set aside territorial reserves, and in the effort to control the urban space that several organizations have been developing. Thus, everything from popular housing projects to ecological and cultural projects is falling into place. On the basis of these /real experiences,/ which have been made possible by and in the struggle of the masses, progress is being made toward a comprehensive project for an alternative city.

#### 6. /International Projection/

a) /The Year of the Habitat./ CONAMUP will take advantage of the international coverage involved in the designation of 1987 as the International Year of the Homeless (HABITAT) by publicizing its struggle throughout the world. At the level of Latin America, there is the Managua Conference that will take place in February. Afterwards, in June 1987, the central event of the International Year will be held in Berlin. In addition, on 6 October, International HABITAT Day, a caravan from CONAMUP will arrive at the UN Headquarters in New York. It will publicize the housing problems of Mexico in the principal cities of the United States.

#### 7. /Historical Projection/

a) /Proletarian Democracy. The CONAMUP program views the problem of direct democracy in mass organizations and in society as a fundamental issue./ This democracy includes the consolidation of organs of political and ideological power of the masses, collective leadership, criticism and self-criticism, mass information and culture, etc. The functioning of a new society is being organized now, ahead of time, in the form of an anticipatory cultural revolution. This democracy, which is anathema to the capitalist system, is already under construction.

b) /Toward Revolution and Socialism./ Many of the CONAMUP contingents are preparing to be in the front ranks of the upcoming Popular Revolution, which after winning political power will advance toward socialism, multiplying the social, ideological, and cultural transformation that is now being built in various sectors of Mexican society.

CONAMUP is only 7 years old. It knows that many force-building tasks await it. It faces years of struggle and major confrontations with the state that is exploiting and oppressing the popular classes. These new challenges will put it to the test. The road traveled so far may have been short, but it is undoubtedly significant. CONAMUP is a fact, a reality of the present that is projected into the future.

8926

CSO: 3248/217

MEXICO

ARCHBISHOP CHARACTERIZES GOVERNMENT AS 'PARTY DICTATORSHIP'

Mexico City EXCELSIOR in Spanish 8 Feb 87 p 4-A

[Article by Jaime Duran]

[Text] "The social situation is going from bad to worse in Mexico; the foreign debt, inflation, the high cost of living and unemployment are driving the people to despair; health care, housing and education are on the decline, and social ills, despair, disillusionment and hopelessness are on the rise," the archbishop of Chihuahua, Adalberto Almeida y Merino, asserted yesterday.

At the opening of the "workshops on Catholics and democracy," the prelate also asserted that the Mexican people have always had a profound aspiration for freedom, democracy and social justice. The 1910 Mexican Revolution is clear proof of this during the 20th century, he said.

He asserted that the revolution was not a uniform or progressive process. "It was often betrayed and at present is clearly spent."

The elections this decade, he continued, mark a new stage in the awareness and involvement of the masses, especially the historic election in Chihuahua this past 6 July 1986, which seemed to herald a new era in the political history of our homeland.

He asserted categorically: "Unfortunately, the regime has been unable to respond to the people's democratic aspirations and has behaved like a party dictatorship; the government has closed itself off and has inhibited a sound political renovation by infringing on civil rights."

He explained that "the social and economic conditions that the majority segments of our people (Indians, peasants, blue-collar workers, bureaucrats and other members of the middle class) are experiencing also tell us that democracy in Mexico is imperfect and has not achieved a just distribution of wealth."

"Families often have no opportunity to educate their children. Young people are demanding their right to enter college or higher centers of intellectual or technical-professional betterment. Women are demanding equal rights with

men. The peasants are demanding higher prices and marketing assurances. The growing middle class is being hurt by the lack of expectations.

"Professionals and technicians have begun leaving for the more developed countries. Small-scale artisans and industrialists are being pressured by larger interests, and more than a few major industrialists are joining international consortia. We cannot ignore this almost universal phenomenon, in which the climate of collective anxiety that we are living under frustrates legitimate aspirations.

"Thus, the Catholic Church of Mexico, and specifically the church of Chihuahua, wants to accompany the people on this new exodus towards freedom and will, therefore, lend its aid to those who are underprivileged in any way and in any sphere of society so that they realize their own rights and know how to assert them. To this end the church will use its moral force and seek the cooperation of the appropriate professionals and institutions.

"Therefore, the church is shedding the light of its word on politics and ideology as another service to its people and as a secure guide for those who in one way or another must assume their social responsibilities, but the church is not motivated by any earthly ambition."

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MEXICO

#### CHIHUAHUA CATECHISM TO TREAT DEMOCRACY, HUMAN RIGHTS

Monterrey EL NORTE in Spanish 14 Jan 87 p 1

[Text] Chihuahua, 13 Jan--The church of Chihuahua is preparing a new catechism in which it will address the issue of democracy and other human rights declared by the UN, announced the priests who continue to take part in the "Workshops on Democracy."

The local archdiocese is organizing this vehicle for disseminating doctrine; aimed at adults, it will be the first of its kind to directly address such issues.

The new catechism discusses the 30 articles in the Universal Declaration of Human Rights. Each is associated with quotations from the Bible and the church's teaching as set forth in various documents.

One of the priests drafting the catechism reported that it is awaiting final approval to go to press.

Sociologist Fernando Macedo, a priest in the Chihuahua Diocese, was involved in the drafting of the catechism text, which is under study for authorization.

Macedo said that this is an important initiative because the religious instruction that the faithful receive should also prepare them for involvement in civic life.

He stated that this is an area in which some sectors have been reluctant to acknowledge the church's right and duty to prepare the faithful in the moralization of social, as well as spiritual, life.

The new catechism will probably be about 40 pages long, though the final model has not yet been completed, the priest said.

Details involving presentation, language and illustrations that may be included are still under consideration.

In addition to the new catechism, the priests today took up the issues of the scope of and limits to the church's involvement and the various forms of government.

Referring to doctrine on the involvement of the church of Chihuahua in social matters, the consultation document mentions the church's desire "to accompany the people on their exodus towards freedom" and adds that the Christian quest based on justice is set forth as a demand in the Bible.

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MEXICO

BRIEFS

CAPITAL AREA UNEMPLOYMENT FIGURE--Tlalnepantla, Mexico, 2 February--The unemployment that prevails in this region may cause social tension and lead to unpredictable consequences, warned Jesus Moreno, secretary general of the State of Mexico Confederation of Workers and Peasants (COCEM). He went on to say that of the 8 million inhabitants of this area, 40 percent are out of work. He noted that thousands of families are experiencing "very adverse" living conditions because of the lack of jobs, factory shutdowns, massive layoffs, and burgeoning demographic growth. The COCEM leader stated that wage-earners who do have a steady source of work live under "terrible conditions," because most of their income is spent on transportation and on "bad food," and thus they do not have the means to achieve full development with their families. He indicated that a worker who earns the minimum wage spends 60 percent of his income just on food and transportation, so he does not have access to housing and better clothing, much less a better education. He stated that another effect of unemployment is the rising crime rate, as idle youths are forced to commit crimes to support themselves. [Text] [Mexico City EXCELSIOR in Spanish 3 Feb 87 STATES section pp 1, 2] 8926

CSO: 3248/217

COMMENTARY DEFINES 'BISNERO' PROFITEERING

Managua EL NUEVO DIARIO in Spanish 1 Nov 86 p 2

[Commentary by Pedro Jose Vindell Matus]

[Text] To be a "bisnero" [profiteer] is to be thick-skinned, the popular saying goes; it is to have a crooked, corrupt conscience.

It means not caring if the "businessman" has to make his living at the expense of others, exploiting the needs of others, and often even gambling on the people's hunger.

That those who earn their living by profiteering are committing crimes is not doubted by anyone. In Managua and in other parts of the country these opportunists abound, and the competent authorities have been unable to curtail their activities.

The "bisnero" does not pay taxes; as far as he is concerned, there is no tax legislation. He does not contribute to Social Security (INSSBI) because he is operating an illegal business; he does not pay employees, and he is not under the control of the Labor Ministry or the Ministry of Domestic Trade (MICOIN), because he makes his connections directly, and he does his "work" on his own.

These men get everything at the expense of those who need a certain product or item, charging them three or four times the value rather than the real cost.

These dealers drink, they go to the best restaurants, etc., while their customers cannot.

They make deals in the streets, in the marketplaces, in state and private offices, outside of movie theaters and stadiums--everywhere.

They are a veritable plague. When they carry out direct or hand-to-hand commercial transactions, they claim they "are doing a favor" for others.

Some of them have specific jobs, and argue that "with the pay I'm earning, I can't make ends meet. I can't support my family and so on."

But they can afford to buy themselves luxuries and comforts.

It is true that there is inflation, that supply is low in relation to demand. And this is understandable, because on the one hand, there are those who drive up the cost of living by speculating, profiteering, and hoarding. They become accustomed to that way of life, and they don't care about anyone else.

The other problem is that this nation is facing the brutal and criminal imperialist aggression, both military and economic. There are regions of the country where no production takes place because of the actions of the counterrevolutionaries.

Fifty percent of national production is earmarked for defense. There are problems in obtaining spare parts for obsolete machinery, components, and raw materials for industry.

Many factors enter into this crisis situation.

Unfair prices for our exports, and high prices for what we import.

We cannot obviate the donations given by friendly countries and brother governments to show solidarity with us, the bilerateral trade agreements with nations that want to promote the development of the Nicaraguan process; but national demand is high, and furthermore the thousands of peasants who used to be exploited are being given priority today, and they receive many things they could not get in the past.

In conclusion, the "bisneros" take advantage of all these situations, using very particular methods, and so far it appears that there is no way to stop them.

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DISTRIBUTION OF MEAT, BREAD CRITICIZED

Managua EL NUEVO DIARIO in Spanish 11 Nov 86 p 4

[Article by M. Soza V.]

[Text] Jinotepe--In the El Cementerio and San Juan districts of this city, there are serious deficiencies in the distribution of meat, bread, milk, eggs, and crackers, among other products.

According to the coordinator of the district, Gregorio Monge, the problems are due to the lack of assertiveness by the Ministry of Domestic Trade (MICOIN), the unscrupulousness of the manufacturers and sellers of some of these products, and the public's failure to provide adequate support.

"The bread problem lies in the fact that the Bakers' Cooperative allocates very little flour to the bakers in this district, so little, in fact, that they are known as the 'Quintal Bakers.'

"We feel that the person in charge of that cooperative, Anita Guerrero, should take that fact into consideration and allocate more of that raw material to the bakeries. In the San Juan district, housewives line up at 0400 hours to be able to buy a limited amount of bread.

"In addition, the owners of the bakeries do not treat their customers with patience or courtesy. In some of these establishments, for example, the proprietors open for business at whatever hour they please, whether or not their customers have been waiting outside in the rain or hot sun for hours."

Meat Problem

"The sale of meat is another source of trouble, because the amount allotted to the two stores in the district is very low. Only meat slices and cured meat are available; no one knows where the bone, the viscera, and other kinds of meat end up.

"In addition, because private butchering was prohibited, the product arrives from the slaughterhouse frozen stiff, causing losses to the customer.

"As Sandinist Defense Committees (CDS), we are asking the slaughterhouse to allocate more meat to us, especially bone and viscera, so that the public can do more with their food," said Gregorio.

"We are also asking our government representative, Aristides Rojas, to authorize private butchers to slaughter on Sundays," he added.

"In addition to this, there is a complete lack of chicken in the districts. According to MICOIN, there is only enough production to distribute at two stores, Trinidad Briceno in San Felipe and Leonor Gomez in San Antonio."

#### MICOIN Should Respond

"Why doesn't MICOIN alternate the sale of chicken with other districts? Aren't we citizens too, with equal rights?" asked Monge.

"Another problem is the sale of crackers. Countless housewives complain about the rude attitude of the sellers of this product, who claim that they can only sell it to established merchants.

"Most of the merchants hide the boxes, however, so that they can resell the crackers later in small amounts. They make a huge profit on this, selling five or six crackers in plastic bags for 100 cordobas."

#### Milk

"And the problem doesn't end there," said Gregorio. "There are major flaws in the sale of milk, because many people hoard it to turn into cottage cheese. The owners of the stores sell it without any control in the districts.

"We think that in view of all these problems, first of all MICOIN should take more vigorous action, and the organized people should also do their part to report all the irregularities they observe."

When I asked a woman in the street, who claimed to be allergic to appearing in the newspaper, she said that on the occasion of the 25th anniversary of the Sandinist National Liberation Front (FSLN) and the death of Cmdr Carlos, I think, the leaders of the local CDSs, MICOIN, the members of the FSLN, and the people should undertake a serious analysis of the situation and do whatever we can to rectify existing errors.

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CSO: 3248/105

#### METROPOLITAN LIMA EMPLOYMENT, UNDEREMPLOYMENT FIGURES

Lima EL NACIONAL in Spanish 15 Feb 87 pp 12-13

[Text] More than a million and a half workers are unemployed in Metropolitan Lima today. Many of them have been reduced to selling their own blood for as little as 100 intis for a quarter of a liter so that they can feed their children. They fall easy prey to the so-called "vampire" mafias because they are unable to find steady work.

Nonetheless, despite this harsh reality that is so common in the streets of Lima, the Labor Ministry reported yesterday that the unemployment figures fell considerably in the last few months. In January 1987 the jobless rate was 5.4 percent, thanks to the policy pursued by the American Popular Revolutionary Alliance (APRA) government.

#### Two Realities?

The secretary general of the General Confederation of Peruvian Workers (CGTP), Valentin Pacho, pointed out that these unemployment percentages released by the Labor Ministry are unrealistic. He explained that last year, many workers lost their jobs due to company closures and anti-labor measures taken by employers.

"According to the latest studies," he added, "it has been shown that at present there are more than a million and a half unemployed workers in Metropolitan Lima alone who do not have even a temporary source of work. In addition, more than 2 million workers are underemployed, earning wages below the limits decreed by the ministry in this sector."

He pointed out that a clear example is the case of the Venecia textile plant, where more than 100 workers were laid off due to an overtly anti-labor policy issued by the employer more than 3 months ago. So far the problem of these blue- and white-collar workers has not yet been solved.

In addition, he indicated that the Emergency Occupational Program (PROEM) represents a dangerous threat to the working class, because it does not allow the formation of new labor organizations; its provision for hiring personnel for not longer than 2 years is highly favorable to businesses.

"In spite of all the benefits employers have derived from this program, many businesses have refused to accept employees under it until they are given a number of tax benefits," he emphasized.

The director general of employment at the Labor Ministry, Abel Centurion, pointed out that thanks to the APRA government's labor policy, the jobless rate fell from 10.1 percent (in 1985) to 5.4 percent as of January 1987. "In other words, a number of jobs have been opened up to meet the demand of the country's labor force.

He indicated that this low percentage of jobless workers means that one of the worst ills of this century, rising unemployment, has been partially alleviated, and therefore the buying power of the nation's families has been pushed upward.

Abel Centurion pointed out that this economic reactivation process began to have an impact in early 1986 with the execution of the Temporary Income Support Program. To date this program has generated more than a half-million jobs in Metropolitan Lima alone. He said that this has encouraged more participation by workers, because thousands of citizens (especially those of the slum areas) have been able to earn an income for the first time.

"Another program that helped bring down unemployment is PROEM, which so far has generated more than 29,000 jobs, although it was just begun in August of last year," he emphasized.

He explained that this program facilitates the hiring of personnel by businesses, but these workers still do not enjoy job security.

#### Other Side of the Coin

As for underemployment, Centurion explained that it is at a rate of 42.7 percent right now, which means that in Lima there are a large number of workers who are earning less than the minimum of 1,875 intis decreed by the ministry.

He explained that this is due to the growth of the informal sector, which accounts for approximately 40 percent. "In this regard, the workers of the PAIT are actually underemployed, because they are earning below the legal minimum wage," he added.

On the other hand, Abel Centurion explained that recently there has been a greater demand for manpower by businesses, which is channeled through the job placement offices of the Labor Ministry.

"According to studies, in 1986 a total of 19,438 applications were accepted from people looking for work, and of them more than 16,000 were placed in various businesses in Metropolitan Lima. This means that for the first time the supply of jobs exceeded the demand," he indicated.

## Selling Blood

Nevertheless, in an effort to provide an objective version of the facts, we went to the placement offices and the intermediary employment agencies where hundreds of jobless workers spend day after day in the vain hope of quickly finding a job to enable them to survive and to support their families.

At the door of the placement office for technicians and factory workers, which is located on the Plaza Dos de Mayo, dozens of people complained that they have been waiting for a position for over 3 months, and so far they have not received any favorable response.

"Not only do we unemployed have to put up with constant humiliation by the officials of the employment office, but many of us also are forced to sell our blood at 100 intis so that we can put something on the table," said Eusebio Grados, a father of four minor children who has been out of work for more than 8 months.

The most dramatic case is that of Porfirio Huaman, however. This 32-year-old textile worker explained that he lost his job more than 2 years ago, and to feed his five children (all minors) he worked at various factories as a temporary. When he turned 30, however, no company would hire him. "Today I am earning a living by selling a quarter liter of my blood every 3 days to scrape together 100 intis so that I can feed my little ones." Porfirio Huaman shows the symptoms of severe anemia, and he said that he is undergoing tests at Loayza Hospital to determine whether he has come down with tuberculosis.

"With the 100 intis I get for selling my blood, I can buy milk for my little daughter Ester, who is 3 months old, and I can feed the rest of my kids. My wife has been sick for several months with degenerative arthritis, which prevents her from continuing to work as a laundress," he said.

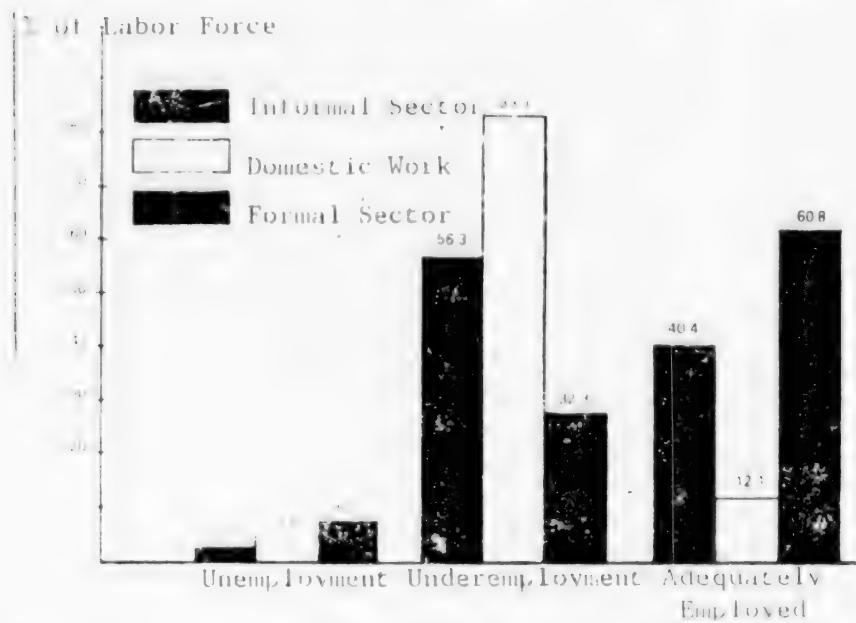
## Unscrupulous Agencies

Another jobless worker, Martin Quispe (40), explained that they fall victim not only to the so-called "vampires" who buy blood, but also to the infamous job placement agencies, which often charge large sums of money for phantom jobs.

"There are some agencies, like MANPESA Service, Inter Service, and others, that make applicants sign a blank contract with no date on it. They get jobs right and left, but they are the ones who get rich off the workers' earnings," he stated.

Quispe indicated that on numerous occasions workers who have been placed by these agencies then lose their jobs and do not even receive severance pay.

### Metropolitan Lima: Employment Levels by Sector



Source: MTPS, DGE, survey of Employment Levels in Metropolitan Lima, 1986.

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## EXPORTERS CRITICIZE ICE USE OF FOREIGN CONTRACTORS

Lima EL COMERCIO in Spanish 19 Feb 87 p B-18

[Text] The Exporters Association (ADEX) expressed its concern yesterday about contracting with foreign firms to carry out the inspection and control of import and export transactions. The Foreign Trade Institute (ICE) has reportedly decided to solicit bids internationally for this service.

The purpose of this supervision, according to some reports cited by ADEX, would be to prevent the flight of foreign exchange through the overstatement and understatement of commercial invoices. The government has doubts about the correct reporting of these invoices.

### Lack of Confidence

This lack of confidence, say exporters, does not extend to the firms affiliated with ADEX, which adhere to the law and maintain the serious attitude that characterizes those who have been involved in international trade for a long time.

The statement by the Exporters Association appears in the editorial of the Monday, 16 February issue of its weekly bulletin EL EXPORTADOR PERUANO, which is currently in circulation.

ADEX does not oppose the supervision of trade, but it does oppose having an international firm or organization do the job. It is also significant that the ICE has not subjected this decision to any dialogue or consultation with the sectors involved, as Dr Enrique Cornejo, ICE president, had promised.

### No Results

It is known, says ADEX, that supervision of this type has not yielded the expected results in countries where it has been used.

The review of invoices to verify prices, qualities, amounts, freight charges, insurance, packaging, and other aspects related to export always yields unique results in each case, no matter how many specialized firms become involved. For this reason, problems will arise when their verdicts affect the interests of the export firm.

ADEX does not believe that capital flight is taking place through the overstating and understating of invoices, or through the "Ant" remittances in the banking system, or by individuals who go on trips supposedly for business or tourist reasons.

"We do not believe that," states ADEX, "because investors have begun to have confidence and security thanks to the opening up and the invitation to the private sector to participate decisively in the country's economic and social development, with offers of the pertinent guarantees. They are also encouraged by the joint projects and the coordination that appear to be taking place."

#### Friction

On the contrary, ADEX thinks that attitudes such as the willingness to hire foreign companies to oversee foreign trade would cause serious friction and might even hinder trade, helping to plant mistrust and disappointment in the investor's mind. That confidence should be mutual, especially during this "Year of Investment."

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## ALVA CASTRO ON INVESTMENTS, 1987 ECONOMIC PLAN

Lima EL COMERCIO in Spanish 19 Feb 87 p B-19

[Text] "This is the time for investment," asserted Luis Alva Castro, chairman of the Council of Ministers and minister of economy and finance yesterday at the luncheon meeting of the Peruvian Institute of Business Administration (IPAE).

The minister said that this is the only way to affirm the reactivation of the economy that began in 1986, and he emphasized the formation of the National Investment Council as a coordinating body.

Alva Castro mentioned, on the other hand, that the recent promulgation of the foreign exchange budget provision "is a mechanism designed to guarantee that all productive sectors will have the foreign exchange they need for growth, especially in the areas designated by the government as priorities."

#### Limitations in 1987

"The principal financial problem in 1987 is not, as one might expect, the availability of foreign exchange. The country has enough reserves to meet the additional requirements for imports. This is the case if exports do not rise over the coming year... There is no doubt, however, that it is not possible to lose \$200 million to \$300 million in reserves year after year. For this reason, it is absolutely imperative that we boost our export capacity in the next few years.

"At present there are a number of possibilities for developing the country's exports. Among them, we can mention cotton clothing, alpaca apparel, canned and frozen fish, and agroindustrial products such as asparagus, tomato concentrate, and exotic fruit juices. This is why the exports of these products will receive 21 intis for each dollar, an increase of 33 percent over the previous level."

He added that it is "necessary to point out that the increase in these exports cannot be supported exclusively by modifying the exchange rate--far from it. The key in these cases is the quality of the raw material and the low price of manpower. Moreover, the government is using other means to stimulate the development of these exports. In the final analysis, what we are interested

in is obtaining foreign exchange so that we can import the indispensable machinery and components."

#### 1987 Economic Program

He recalled the objectives of the 1987 economic program: raise the GDP by 6 percent, boost real wages by 6 percent, create 50,000 additional jobs through the PAIT, increase exports "at a rate at least equal to that of the increase in imports," and give priority to investment in the export industries and agriculture.

As for the exchange policy, he said that there will be no "traumatic devaluations." Imports of consumer, intermediate, and capital goods will be purchased at an exchange rate of 17.5 intis to the dollar. Purchases of foods and medicines are the only ones that will continue to be carried out at the rate of 13.98 intis to the dollar.

The price policy has been designed, he said, to "facilitate an orderly departure from the price freeze, which unfortunately was not obeyed by some. In the second place, the elements of a more stable price system will be delineated... No matter what, what matters is that prices be controlled increasingly through self monitoring rather than government action. The ball is in your court, businessmen," he added.

Earlier, the minister had summed up the accomplishments that have been made, and he defended the heterodoxy of the program that uses consumption as a lever for growth.

His appeals to businessmen and to the unions to temper their expectations, in terms of both prices and higher wages, was an indication to some analysts present that a major correction will be made in the current model.

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## VEGA LLONA OUTLINES WORK OF CNI

Lima EL COMERCIO in Spanish 7 Feb 87 p B-9

[Text] The work of the National Investment Council (CNI) will yield positive and practical results, said one of its members, Ricardo Vega Llona. Vega Llona is the president of the Exporters Association and of the National Confederation of Private Business Institutions (CONFIEP).

The National Investment Council was created to analyze and study the different investment programs. Representatives of the government, the private sector, and labor participate in the organization, which was installed recently.

### Structure

Vega Llona, in response to a question about the scope of the new council, indicated that it has a broad base and will be able to act pragmatically, thanks to its structure.

He noted that once it has its regulations drawn up, the council will have an Executive Committee under which various executives will work under contract, overseeing investments.

Previously, several similar initiatives, such as the so-called consultative groups, did not yield the desired results because of the failure to implement the projects, he stated.

The president of the CONFIEP emphasized that reaching common understandings is the best way to overcome the economic crisis. In other countries this has worked, so why not in Peru? he asked.

He said that next Wednesday the council's internal regulations will be approved. Immediately afterwards, it will begin operating.

When asked if the council could be a forum for confrontations among the different sectors that belong to it, the business representative stated that there can be no conflicts because wage issues will not be discussed, for example, only investments.

### Discriminating Investment

Vega noted the importance of the CNI in discriminating investment, that is, allocating the few resources available to the country for national development in the most advantageous way possible.

The little money we have for development investment must be administered well, he indicated.

With regard to the price policy that is being pursued, he said that the creation of the Intersectorial Commission on Prices and Supplies (CIPA) has not been the fruit of a coordinated effort. Nevertheless, the opinions of others are now being considered so that the controls will not impede the progress of the tasks being carried out by the business sector.

To ask for prior agreement does not in any way mean being the enemy of the control system, he emphasized.

Finally, discussing the matter of nontraditional exports, he noted that the Foreign Trade Institute is doing an excellent job, given the coordination and communication that do exist.

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## PEASANT WOMEN RECEIVE FUNDS FOR SMALL BUSINESSES

Lima EL COMERCIO in Spanish 7 Feb 87 p A-6

[Text] Peasant women who want to form or expand small businesses will receive direct credits from the Agrarian Bank, through the loan granted by the International Agricultural Development Fund (FIDA), reported the president of the bank, Alfredo Garcia Llosa, yesterday.

The project actually involves the active participation of peasant women not only in the work associated with raising young animals, which is their principal activity and which they have practiced since time immemorial, but also in the raising of small animals, the establishment of gardens, crafts, and other activities that will earn them an income.

### Marketing Also Possible

The credits will even be designed to allow the women to market these products.

The Agrarian Bank, the National Institute of Planning (INP), the Institute for Agriculture-Livestock Research and Promotion (INIPA), the Departmental Development Corporations of Cuzco and Arequipa, the University of Cuzco, the International Center of Cooperation for Agricultural Development, and the National Food Support Office will also participate in this effort.

According to Garcia Llosa, who was accompanied by FIDA President Idriss Jazairy, the project will cover an area of 1.261 million hectares, located in the mountain provinces of Cuzco and Arequipa. The standard of living of the residents there is one of the lowest.

### Technical Assistance

The agriculture-livestock development project in the high mountain areas of the departments of Cuzco and Arequipa will cost \$14.7 million, of which FIDA will provide half. It will increase the income of poor peasants in these areas by providing them with credit and technical assistance, improving the infrastructure and the organization of marketing, and building and rehabilitating small irrigation projects and terraces for the expansion of the area under cultivation.

The direct beneficiaries will be 4,800 peasant families, ranging from small farmers to alpaca herders. The project is to be executed over a period of 5 years.

FIDA LOAN FOR CUZCO, AREQUIPA AGRICULTURAL DEVELOPMENT

Lima EL COMERCIO in Spanish 4 Feb 87 p A-11

[Text] The president of the International Agricultural Development Fund (FIDA), Idriss Jazairy, will arrive in Lima tomorrow to sign a credit contract for \$7 million. The funds will be used for an agriculture-livestock promotion program in Cuzco and Arequipa.

His arrival is scheduled for 0100 hours. At 1030 hours he will go to the office of Prime Minister Luis Alva Castro to sign the document.

The visitor is also scheduled to meet with President Alan Garcia Perez. On Friday he will hold a press conference, after which he will return to Rome.

The institution that Jazairy represents is a fund sponsored by the United Nations Food and Agriculture Organization (FAO), and its purpose is to support the development of agriculture and livestock in developing countries.

Program for Cuzco and Arequipa

The funds from the loan FIDA will extend to Peru will make possible a project to support the peasants of Cuzco and Arequipa during the second half of this year.

The main purpose of the program is to increase the income of poor peasants in the two departments through credit and technical assistance, improved infrastructure and organization of marketing, and the construction and rehabilitation of small-scale irrigation projects.

The Agrarian Bank will oversee the execution of the projects.

This entity reported that the Departmental Development Corporations of Cuzco and Arequipa, San Antonio Abad University of Cuzco, the International Center of Cooperation for Agricultural Development, the Institute of Agriculture-Livestock Research and Promotion, the National Planning Institute, and the National Food Support Office, will all cooperate in this effort.

In addition to the \$7 million from FIDA for this project, \$3 million will come from cofinancing. \$1,683,200 will be contributed by the UN World Food Program, and \$3,035,600 will come from the Agrarian Bank as the national share.

The total investment will amount to \$14,718,800 (257.5 million intis).

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## EASING OF RESTRICTIONS ON COTTON EXPORTS SOUGHT

Lima EL COMERCIO in Spanish 7 Feb 87 p B-9

[Text] The National Cotton Producers Committee, the Cotton Board, and the minister of agriculture proposed the repeal of Ministerial Resolution 521, which restricts cotton exports, and a document of the Office of Textile and Leather Industries, which annuls all exports during the 1986-87 campaign.

This was reported at a meeting between the agriculture minister and cotton producers, at which the minister stated that he will do everything possible to annul the resolution and the other measure.

In addition, it was proposed that the scope of Exchange Resolution 003-87-EF be defended; this resolution gives producers 75 percent consideration in gaining access to financial dollars. It benefits producers and not, as some allege, exporters.

The president of the National Cotton Producers Committee, Alberto Massaro Silva, explained that the issuance of the exchange resolution has raised the number of intis each cotton producer will receive per quintal of cotton.

He also reported that the National Enterprise for Industrial Marketing (ENCI) now has contracts to sell cotton at \$89.32 per quintal, covering cotton for export delivered to the port. In view of the restrictions imposed by Resolution 521, it will be impossible to export that product.

Massaro Silva indicated that since the exchange resolution was issued, prices in intis have gone up, and it is not true that raw cotton is being bought for 460 intis at this time.

The minimum purchase prices are 535 intis for low-quality fiber, and 535 intis per quintal of raw short-staple cotton on the producer's premises.

The resolution, added the president of the National Cotton Producers Committee, is applicable to the foreign market, that is, to exports, just as it is to all sales and purchases on the domestic market in general. All cotton transactions use the financial dollar at a 75 percent availability rate.

### **Industry Not Buying Cotton**

He also reported that at this time industry is not buying cotton because businessmen say the price is too high.

Industrialists have much greater incentives than producers, however, enabling them to work without problems, he emphasized.

"This is a speculative maneuver: If we do not sell to other markets, the price will come down," he argued.

At present, the cotton trade is paralyzed, because no one is buying or selling, he stated.

Finally, he said that if Ministerial Resolution 521 is repealed, the Cotton Board would regain its autonomy in managing the cotton trade, as set forth in the supreme decree that created it as an institution.

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## SHORTCOMINGS NOTED AT LA VICTORIA FISHING TERMINAL

### Saberbein Inspection

Lima EL COMERCIO in Spanish 8 Feb 87 p A-11

[Text] In a surprise inspection of the La Victoria fish terminal early in the morning, the vice minister of economy and chairman of the Intersectorial Commission on Prices and Supplies (CIPA), Gustavo Saberbein Chevalier, got a first-hand look at the deficiencies of the fish marketing system in that place.

The unexpected enforcement of price controls on fishing products took both retail and wholesale merchants by surprise, as well as the few customers who were present.

"They only come now when there are plenty of fish; they should inspect when there is a shortage, so they can see how the mafias operate," commented some of the retailers as Saberbein was beginning his inspection.

The vice minister of economy arrived at the terminal at about 0630 hours, accompanied by the director of the Fishing Ministry's Office of Supervision and Sanctions, Hector Manrique Arguelles, and by members of the Central Price Office of his own ministry and representatives of the Prefecture of Lima and the Provincial Council of Lima.

During the approximately 40 minutes that Saberbein spent at the fish terminal, he listened to people's complaints. Two of the complainers were leaders of the retailers.

In addition, the administrator of the fish terminal explained that of the eight refrigeration chambers that the Public Enterprise for Fishing Services (EPSEP) operates on the premises, four are out of service because they are in poor condition.

Saberbein declared at the end of the inspection that he had seen how constrained the wholesale fish market is for the marketing of fish, and how limited the refrigeration space is.

He announced in this connection that the CIPA will be given more control over the fish terminal, and confirmed that the latter will soon be transferred to the EPSEP terminal, located in Villa Maria del Triunfo.

"We are seeing that today there is abundant fish, but even so the retailers are complaining that the hydrobiological species are going up in price illegally because of some unscrupulous wholesalers who prefer to hoard the product so that they can sell it afterwards at an inflated price," he said.

#### Corrections Promised

Lima EL COMERCIO in Spanish 8 Feb 87 p A-11

[Text] "In 3 weeks the mafias will be gone from the La Victoria Wholesale Fish Market," declared the director of the Fishing Ministry's Office of Supervision and Sanctions, Hector Manrique Arguelles, yesterday.

He stated that the three kinds of criminals who operate in the La Victoria fish terminal will be eliminated.

"We will do away with the official reseller, the retail reseller, and the unscrupulous wholesaler who sells at inflated prices," he emphasized.

Some housewives recalled, however, that this promise has been made on more than one occasion, with the results we all know. Will it really happen this time? they ask.

#### More Control

According to the Fishing Ministry, the mafias will indeed disappear. For the present, 15 inspectors have been assigned to the fish terminal to supervise transactions there.

"Ten of them are women, who are less inclined to accept bribes," he said.

Hector Manrique Arguelles announced that the work of these inspectors will be reinforced by eight security guards, who he said "are experts in the detection and deactivation of explosive devices, among other things."

"We will also request support from Republican Guard troops, because we have no police authority at this time," he added.

The fishing official acknowledged that the La Victoria fish terminal does not have an adequate infrastructure to deal with the fish marketing system.

He said that among other deficiencies, its parking lot can handle only 60 vehicles.

"Due to the lack of parking facilities, every day some 12 to 13 wholesale vehicles must remain outside, unable to sell their loads of fish in the terminal," he said.

Manrique made these statements to the press yesterday at the end of the inspection of that fish terminal directed by the vice minister of economy and chairman of the CIPA, Gustavo Saberbein Chevalier.

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## BRIEFS

1986 SHOE EXPORTS--About 5,000 pairs of shoes per month were exported to markets in the United States and Puerto Rico in 1986 by producers belonging to the Association of Small and Medium Shoe Manufacturers, according to the president of that institution, Pedro Mont Koc. "Exports are very low, because they do not have government support. We are asking for its support in view of this initiative, because it is an indication that we want to continue working and producing for Peru," declared Mont Koc. The shoe industry holds great potential for generating foreign exchange for the country at present, because of the great demand for shoes, said Mont Koc. He contended that the association of small and medium shoe producers demands an urgent and vital dialogue with the government so that it can express its concerns and propose possible solutions to the measures that affect it. He also reported that the small and medium industry and the commercial sector managed to increase 70 percent of the country's economic reactivation in 1986. On the other hand, on the occasion of the First Peruvian Symposium on Shoe Technology, which began yesterday and will last until next Saturday the 21st, Mont stated that the symposium was organized in view of the need to expand these products and improve their quality. Another factor cited by him was the application of new standards in this sector. National and international exhibitors of renown are participating in the event, which represents a historic step with respect to the exchange of knowledge and technology. Meanwhile, on Tuesday 12 February the "Lancal 4" 4th Shoe Fashion Exposition began. It will last until Saturday 21 February, and can be seen at the Hotel Sheraton between 1000 and 2100 hours. [Text] [Lima EL COMERCIO in Spanish 19 Feb 87 p B-18] 8926

FISHMEAL SHIPMENTS TO CHINA--Chicama, La Libertad, 6 February--The shipment of 800 metric tons of fishmeal tomorrow, Saturday, marks the resumption of fishmeal shipments to China from the port of Chicama. This activity had been suspended for 4 years. In addition to the revitalization of the port, this renewed activity will provide jobs for more than 400 people, including stevedores, bargemen, dockmen, and others. This proves once again that the reactivation of the State Fishmeal and Fish Oil Production Agency (PESCAPERU) is contributing to the development of other related activity, which has a positive impact on the well-being of the population whose actions revolve around PESCAPERU's Plant 1102. It should be emphasized that before this plant was reopened at the port of Chicama, better known as "Malabriga" [poor shelter], this town had been totally forgotten and its residents had emigrated, most of them to other areas of production. Activity had ground to a halt here. The plant was reopened in October 1985. It is clear, as well, that the economic and social importance of this first shipment represents an income of more than 4 million intis for Chicama. In addition, it will give

rise to contracts with firms that provide services on the market for sacks, land transportation, shipping agencies, and loading agencies. Society hails PESCAPERU's decision because of its contribution to the development of towns where its plants are located, not only through permanent employment there but also because of the number of related jobs created in other businesses and institutions. [Text] [Lima EL COMERCIO in Spanish 7 Feb 87 p A-15] 8926

FRENCH INVESTMENT INTEREST--French firms are interested in coinvesting with Peruvian private businesses in order to promote the exploitation of raw materials in our country. This was revealed by Thierry Allix, director for Latin America of the National Council of French Businessmen (similar to the National Confederation of Private Business Institutions, CONFIEP). He was in Lima to promote a trip by Peruvian businessmen to his country. During a working meeting with the president of the CONFIEP, Ricardo Vega Llona, the French businessman indicated that there is also great interest in his country in the development of compensated trade as an alternative to the difficulties in obtaining guarantees in the banking system. Accepting a suggestion by the president of the National Society of Industries, Gabriel Lanata, Allix agreed to sensitize the businessmen of his country in order to arouse their interest in agroindustry and in the industry that works metals such as zinc, tin, and copper, so that they can be exported with greater value-added. Lanata stated that it is in this sector that investment should be concentrated during the next 2 years in Peru. For this reason, he emphasized that it is encouraging that French executives are thinking of coinvesting in our country, which needs foreign exchange to face its short-term problems. In introducing the guest, Vega Llona stated that Allix's principal objective is to find the most viable conduits for establishing a close relationship between the French and Peruvian private sectors. For his part, Gonzalo Garland, former president of the Exporters Association (ADEX) and current president of the Andean Business Consultation Council, informed the visitor about the recent modification of Decision 24 by that subregional body. The French representative replied that this modification will be very important for attracting foreign investment. [Text] [Lima EL COMERCIO in Spanish 9 Feb 87 p B-13] 8926

\$20 MILLION ARLABANK LOAN--The president of the Bank of the Nation (BN), Adan Seminario, announced yesterday that a major multinational bank, Arlabank, has provided a "fresh" loan of \$20 million to support exports and imports of components. Seminario emphasized that this support from Arlabank, which since its founding 7 years ago has loaned \$130 million to our country, is very important. The chief official of the Bank of the Nation made these statements at the Jorge Chavez Airport before leaving for Caracas, where he will participate in the meeting of the Extebandes board of directors. From there he will go to Rio de Janeiro to attend the annual meeting of the Arlabank board of directors. There the new credit lines for Peru will be extended. He also announced that \$9.5 million has been invested in the installation of modern computer equipment to replace the traditional manual functions. He said that beginning in May, all operations at the Bank of the Nation will be conducted under the computer system in the 440 branch offices throughout the country. With this investment, the BN will be one of the most modern banks, commented Seminario. [Excerpts] [Lima EL COMERCIO in Spanish 6 Feb 87 p B-11] 8926

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